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12
13 UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA
15 WESTERN DIVISION

16 UNITED STATES OF AMERICA,
17 Plaintiff,
18 v.

No. CV 18-8579

VERIFIED COMPLAINT FOR FORFEITURE

18 U.S.C. §§ 981(a)(1)(A) & (C)

[U.S.P.I.S.]

19 \$689,884.48 SEIZED FROM FIRST
20 FEDERAL SAVINGS & LOAN OF SAN
RAFAEL ACCOUNT '3620;
21 \$515,899.85 SEIZED FROM REPUBLIC
BANK OF ARIZONA ACCOUNT '2485;
22 \$75,835.31 SEIZED FROM REPUBLIC
BANK OF ARIZONA ACCOUNT '1897;
23 \$500,000.00 SEIZED FROM REPUBLIC
BANK OF ARIZONA ACCOUNT '3126;
24 \$600,000.00 SEIZED FROM OR
FROZEN IN REPUBLIC BANK OF
25 ARIZONA CDARS ACCOUNT '8316;
\$302,177.57 SEIZED FROM OR
26 FROZEN IN REPUBLIC BANK OF
ARIZONA CDARS ACCOUNT '8324;
27 \$300,000.00 SEIZED FROM OR
FROZEN IN REPUBLIC BANK OF
28 ARIZONA CDARS ACCOUNT '8332;
\$734,603.70 SEIZED FROM OR

1 FROZEN IN SAN FRANCISCO FIRE
2 CREDIT UNION ACCOUNT '2523; AND
3 \$2,412,785.47 SEIZED FROM MONEY
4 GRAM FUNDS,

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Defendants.

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1 The United States of America brings this complaint against the
2 above-captioned asset(s) and alleges as follows:

3 **PERSONS AND ENTITIES**

4 1. The plaintiff is the United States of America ("plaintiff"
5 or the "government").

6 2. The defendants are \$689,884.48 seized from First Federal
7 Savings & Loan of San Rafael account '3620; \$515,899.85 seized from
8 Republic Bank of Arizona account '2485; \$75,835.31 seized from
9 Republic Bank of Arizona account '1897; \$500,000.00 seized from
10 Republic Bank of Arizona account '3126; \$600,000.00 seized from or
11 frozen in Republic Bank of Arizona CDARS account '8316; \$302,177.57
12 seized from or frozen in Republic Bank of Arizona CDARS account
13 '8324; \$300,000.00 seized from or frozen in Republic Bank of Arizona
14 CDARS account '8332; \$734,603.70 seized from or frozen in San
15 Francisco Fire Credit Union account '2523; and \$2,412,785.47 seized
16 from Money Gram Funds, (collectively, the "Defendant Assets").

17 3. The Defendant Assets are held in the name of, or for the
18 benefit of, Michael Lacey. The person whose interests may be
19 affected by this action is Michael Lacey.

20 4. Contemporaneously with the filing of this complaint,
21 plaintiff is filing related actions seeking the civil forfeiture of
22 the following assets (collectively, the "Subject Assets"):

23 **FUNDS HELD IN THE NAME OF POSTING SOLUTIONS:**

24 a. \$3,374,918.61 seized from Prosperity Bank account '7188
25 ("Prosperity '7188 Funds" or "Account 1") held in the name of Posting
26 Solutions, LLC. ¹

27
28 ¹ Attached hereto as exhibit A is an index of the Subject Assets
that consist of funds or securities on deposit at or seized from
financial institutions.

FUNDS HELD IN THE NAME OF CEREUS PROPERTIES LLC:

b. \$5,462,027.17 seized from Compass Bank account '3873 ("Compass '3873 Funds" or "Account 2"), held in the name of Cereus Properties, LLC, an entity owned or controlled by Scott Spear.

c. \$407,686.14 seized from Compass Bank account '4862 ("Compass '4862 Funds" or "Account 3"), held in the name of Cereus Properties, LLC.

ASSETS HELD BY OR FOR THE BENEFIT OF BY MICHAEL LACEY:

d. \$689,884.48 seized from First Federal Savings & Loan of San Rafael account '3620 ("FFS&L of SR '3620 Funds" or "Account 4"), held in the name of Michael Lacey ("Lacey");

e. \$515,899.85 seized from Republic Bank of Arizona account '2485 ("RBA '2485 Funds" or "Account 5"), held in the name of Lacey;

f. \$75,835.31 seized from Republic Bank of Arizona account '1897 ("RBA '1897 Funds" or "Account 6"), held in the name of Lacey;

g. \$500,000.00 seized from Republic Bank of Arizona account '3126 ("RBA '3126 Funds" or "Account 7"), held in the name of Lacey;

h. \$600,000.00 seized from or frozen in Republic Bank of Arizona Certificate of Deposit ("CDARS")² account '8316 ("RBA '8316 Funds" or "Account 8"), held in the name of Lacey;

i. \$302,177.57 seized from or frozen in Republic Bank of Arizona CDARS account '8324 ("RBA '8324 Funds" or "Account 9"), held in the name of Lacey;

j. \$300,000.00 seized from or frozen in Republic Bank of Arizona CDARS account '8332 ("RBA '8332 Funds" or "Account 10"), held

² CDARS is a program that allows a depositor to spread funds across several banks in order to maintain account balances below the Federal Deposit Insurance Corporation's insurance limits at any particular bank.

1 in the name of Lacey;

2 k. \$734,603.70 seized from or frozen in Credit Union account
3 '2523 ("SFFCU '2523 Funds" or "Account 11"), held in the name of
4 Lacey;

5 l. \$2,412,785.47 seized from or frozen in place at Money Gram,
6 having originated from Midfirst Bank account '4139 ("IOLTA³ '4139" or
7 Account 12), held in the name of attorney, "J.B." for the benefit of
8 Lacey;

9 m. All right and title to the real property located in
10 Sebastopol, California titled in the name of Finca Manzana for
11 Sebastopol, LLC ("Sebastopol Property"), APN 076-100-0008-000,
12 including all appurtenances, improvements, and attachments thereon,
13 as well as all leases, rents, and profits derived therefrom;⁴

14 n. All right and title to the real property located in San
15 Francisco, California titled in the name of Lacey and Alyson Talley
16 ("San Francisco Property 1"), APN 07-1008-057-01, including all
17 appurtenances, improvements, and attachments thereon, as well as all
18 leases, rents, and profits derived therefrom;

19 o. All right and title to the real property located in San
20 Francisco, California titled in the name of Casa Bahia for San
21 Francisco, LLC ("San Francisco Property 2"), APN 0563-029, including
22 all appurtenances, improvements, and attachments thereon, as well as
23 all leases, rents, and profits derived therefrom;

24 p. All right and title to the real property located in San
25 Francisco, California titled in the name of Lacey ("San Francisco
26

27 ³ An "IOLTA" is the common name for an Interest on Lawyer Trust
28 Account.

⁴ Pursuant to Local Rule 5.2-1, only the city and state of
residence addresses are set forth in this Complaint

1 Property 3"), APN 0097C011, including all appurtenances,
2 improvements, and attachments thereon, as well as all leases, rents,
3 and profits derived therefrom;

4 q. All right and title to the real property located in Sedona,
5 Arizona titled in the name of Creek Hideaway, LLC ("Sedona
6 Property"), APN 405-06-001B, including all appurtenances,
7 improvements, and attachments thereon, as well as all leases, rents,
8 and profits derived therefrom;

9 r. All right and title to the real property located in
10 Paradise Valley, Arizona titled in the name of Lacey ("Paradise
11 Valley Property 1"), APN 173-11-006C, including all appurtenances,
12 improvements, and attachments thereon, as well as all leases, rents,
13 and profits derived therefrom;

14 s. All right and title to the real property located in
15 Paradise Valley, Arizona titled in the name of Lacey ("Paradise
16 Valley Property 2"), APN 164-05-122, including all appurtenances,
17 improvements, and attachments thereon, as well as all leases, rents,
18 and profits derived therefrom;

19 **ASSETS HELD BY OR FOR THE BENEFIT JAMES LARKIN:**

20 t. \$1,546,076.35 seized from Republic Bank of Arizona account
21 '1889 ("RBA '1889 Funds" or "Account 13"), held in the name of James
22 Larkin ("Larkin");

23 u. \$1,001,731.18 seized from Republic Bank of Arizona account
24 '2592 ("RBA '2592 Funds" or "Account 14"), held in the name of
25 Larkin;

26 v. \$206,156.00 seized from Republic Bank of Arizona account
27 '1938 ("RBA '1938 Funds" or "Account 15"), held in the name of
28 Larkin;

1 w. \$501,248.14 seized from Republic Bank of Arizona account
2 '8103 ("RBA '8103 Funds" or "Account 16"), held in the name of
3 Larkin;

4 x. \$251,436 seized from Republic Bank of Arizona account '8162
5 ("RBA '8162 Funds" or "Account 17"), held in the name of Larkin;

6 y. Any and all funds on deposit in Republic Bank of Arizona
7 account '8189 ("RBA '8189 Funds" or "Account 18"), held in the name
8 of Larkin. RBA is holding the account until it matures, at which
9 time RBA will issue a check to the government for all funds in
10 Account 18;

11 z. \$621,832.06 in U.S. currency seized from Perkins Coie Trust
12 Company account '0012 ("PCTC '0012 Funds" or "Account 19"), held in
13 the name of Margaret Larkin ("M. Larkin");

14 aa. \$9,882,828.72 in securities or investment instruments
15 seized from Perkins Coie Trust Company account '0012 ("PCTC
16 Investment Funds" or "Account 20"), held in the name of M. Larkin;

17 bb. \$34,149,280.00 seized from Acacia Conservation Fund LP
18 account '2020 ("ACF Funds" or "Account 21"), held in the name of
19 Ocotillo Family Trust;

20 cc. \$278.73 seized from Bank of America account '8225 ("BA
21 '8225 Funds" or "Account 22"), held in the name of Troy C. Larkin
22 ("T. Larkin");

23 dd. \$1,038.42 seized from Bank of America account '7054 ("BA
24 '7054 Funds" or "Account 23"), held in the name Ramon Larkin ("R.
25 Larkin");

26 ee. All right and title to the real property located in Saint
27 Helena, California titled in the name of Larkin and M. Larkin,
28 Trustees for Ocotillo Family Trust ("Saint Helena Property"), APN

1 030-050-028-000, including all appurtenances, improvements, and
2 attachments thereon, as well as all leases, rents, and profits
3 derived therefrom;

4 ff. All right and title to the real property located in
5 Chicago, Illinois titled in the name of John C. Larkin ("J.C.
6 Larkin"), M. Larkin and Larkin ("Chicago Property"), APN 20-14-201-
7 079-1054, including all appurtenances, improvements, and attachments
8 thereon, as well as all leases, rents, and profits derived therefrom;

9 **ASSETS HELD BY OR FOR THE BENEFIT OF JOHN BRUNST:**

10 gg. \$359,527.06 seized from Compass Bank account number '3825
11 ("Compass '3825 Funds" or "Account 24"), held in the name of the John
12 Brunst Family Trust;

13 hh. \$5,848,729.00 seized from Alliance Bernstein account '6878
14 ("AB '6878 Funds" or "Account 25"), held in the name of the Brunst
15 Family Trust;

16 ii. \$372,878.00 seized from Alliance Bernstein account '4954
17 ("AB '4954 Funds" or "Account 26"), held in the name of the Brunst
18 Family Trust;

19 jj. \$342,596.00 seized from Alliance Bernstein account '7982
20 ("AB '7982 Funds" or "Account 27"), held in the name of the Brunst
21 Family Trust;

22 kk. \$306,277.00 seized from Alliance Bernstein account '7889
23 ("AB '7889 Funds" or "Account 28"), held in the name of the Brunst
24 Family Trust;

25 ll. \$275,328.00 seized from Alliance Bernstein account '7888
26 ("AB '7888 Funds" or "Account 29"), held in the name of the Brunst
27 Family Trust;

28 mm. \$527,624.00 seized from Alliance Bernstein account '6485

1 ("AB '6485 Funds" or "Account 30"), held in the name of the Brunst
2 Family Trust;

3 **ASSETS HELD BY OR FOR THE BENEFIT OF SCOTT SPEAR:**

4 nn. \$404,374.12 seized from National Bank of Arizona account
5 '0178 ("NBA '0178 Funds" or "Account 31"), held in the name of Scott
6 Spear ("Spear");

7 oo. \$1,925.80 seized from National Bank of Arizona account
8 '0151 ("NBA '0151 Funds" or "Account 32"), held in the name of Spear
9 and Ellona Spear ("E. Spear"); and

10 pp. \$613,573.28 seized from National Bank of Arizona account
11 '3645 ("NBA '3645 Funds" or "Account 33"), held in the name of Spear
12 and E. Spear Family Trust.

13 qq. \$260,283.40 seized from National Bank of Arizona account
14 '6910 ("NBA '6910 Funds" or "Account 34"), held in the name of Spear
15 and E. Spear Family Trust.

16 rr. \$64,552.82 seized from or frozen in Ascensus Broker
17 Services '4301 ("ABS '4301 Funds" or "Account 35"), held in the name
18 of Natasha Spear ("N. Spear").

19 ss. \$56,902.99 seized from or frozen in Ascensus Broker
20 Services '8001 ("ABS '8001 Funds" or "Account 36"), held in the name
21 of N. Spear.

22 **FUNDS HELD IN THE NAME OF PRIMUS TRUST**

23 tt. \$16,500,000 seized from K&H account '1210 ("K&H '1210
24 Funds" or "Account 37"), held in the name of Primus Trust, with Lacey
25 being at least one of the beneficiaries of the Trust. The bank is
26 located in Hungary.

27 **FUNDS HELD IN THE NAME OF GOLD LEAF SRO**

28 uu. €1,680,028.85 seized from Fio account '2226 ("Fio '2226

1 Funds" or "Account 38"), held in the name of the Gold Leaf SRO. The
2 bank is located in the Czech Republic;

3 vv. £60.98 seized from Fio account '2231 ("Fio '2231 Funds" or
4 "Account 39"), held in the name of the Gold Leaf SRO. The bank is
5 located in the Czech Republic;

6 ww. \$72.87 seized from Fio account '2230 ("Fio '2230 Funds" or
7 "Account 40"), held in the name of the Gold Leaf SRO. The bank is
8 located in the Czech Republic;

9 **FUNDS HELD IN THE NAME OF PROTECCTIO SRO**

10 xx. €3,213,937.82 seized from Fio account '4194 ("Fio '4194
11 Funds" or "Account 41"), held in the name of the Protecctio SRO. The
12 bank is located in the Czech Republic;

13 yy. \$52.90 seized from Fio account '4196 ("Fio '4196 Funds" or
14 "Account 42"), held in the name of the Protecctio SRO. The bank is
15 located in the Czech Republic;

16 zz. £52.65 seized from Fio account '4198 ("Fio '4198 Funds" or
17 "Account 43"), held in the name of the Protecctio SRO. The bank is
18 located in the Czech Republic;

19 **FUNDS HELD IN THE NAME OF VARICOK COMPANY SRO**

20 aaa. €605,976.95 seized from Fio account '8083 ("Fio '8083
21 Funds" or "Account 44"), held in the name of the Varicok Company SRO.
22 The bank is located in the Czech Republic;

23 bbb. £458.99 seized from Fio account '8086 ("Fio '8086 Funds" or
24 "Account 45"), held in the name of the Varicok Company SRO. The bank
25 is located in the Czech Republic;

26 ccc. \$48.10 seized from Fio account '8080 ("Fio '8080 Funds" or
27 "Account 46"), held in the name of the Varicok Company SRO. The bank
28 is located in the Czech Republic.

FUNDS HELD IN THE NAME OF AD TECH BV

ddd. Any and all funds seized from Bank Frick account 'K000 K ("BF 'K000 K Funds" or "Account 47") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

eee. Any and all funds seized from Bank Frick account 'K000 U ("BF 'K000 U Funds" or "Account 48") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

fff. Any and all funds seized from Bank Frick account 'K000 E ("BF 'K000 E Funds" or "Account 49") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein;

ggg. Any and all funds seized from Bank Frick account 'K001 K ("BF 'K001 K Funds" or "Account 50") on or about June 1, 2018, held in the name of Ad Tech BV. The bank is located in the Principality of Liechtenstein.

FUNDS HELD IN THE NAME OF PROCOP SERVICES BV

hhh. Any and all funds seized from Knab Bank account '7664 ("KB '7664 Funds" or "Account 51") on or about May 24, 2018, held in the name of Procop Services BV. The bank is located in the Kingdom of the Netherlands.

FUNDS HELD IN THE NAME OF GULIETTA GROUP BV

iii. Any and all funds seized from Rabo Bank account '2452 ("RB '2452 Funds" or "Account 52") on or about May 24, 2018, held in the name of the Gulietta Group BV. The bank is located in the Kingdom of the Netherlands.

FUNDS HELD IN THE NAME OF UNIVERSADS BV

jjj. Any and all funds seized from Rabo Bank account '4721 ("RB '4721 Funds" or "Account 53") on or about May 24, 2018, held in the name of the UniversAds BV. The bank is located in the Kingdom of the Netherlands.

FUNDS HELD IN THE NAME OF OLIST OU

kkk. Any and all funds seized from LHV Pank account number '4431 ("LHVP '4431 Funds" or "Account 54") on or about June 15, 2018, held in the name of Olist Ou ("Ou"). The bank is located in the Republic of Estonia.

FUNDS HELD IN THE NAME OF CASHFLOWS EUROPE LIMITED

lll. £747,664.15 seized from Saxo Payments account '1262 ("SP '1262 Funds" or "Account 55"), held in the name of the Cashflows Europe Limited ("Cashflows"). Cashflows is holding these funds for the benefit of Gulietta Group B.V., Universads B.V, Procop Services B.V., and Proteccio SRO, each of which is an entity owned or controlled by Backpage (defined below). United Kingdom law enforcement officials have restrained the funds held by these four companies and consolidated them into this Saxo Payments account. The bank is located in the United Kingdom.

ASCIO/WMB INC DOMAIN NAMES⁵

mmm. atlantabackpage.com; backpage.be; backpage.com; backpage.com.br; backpage.cz; backpage.dk; backpage.ee; backpage.es; backpage.fi; backpage.fr; backpage.gr; backpage.hu; backpage.ie;

⁵ Backpage, which operated principally online, controlled numerous internet domain names. These domain names were registered by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar. Domain registrars serve to ensure that a registered domain name is not licensed to more than one user. Domain registration allows the owner of the domain to direct internet traffic to a specific webserver.

1 backpage.it; backpage.lt; backpage.mx; backpage.net; backpage.no;
 2 backpage.pl; backpage.pt; backpage.ro; backpage.si; backpage.sk;
 3 backpage.us; backpage-insider.com; bestofbackpage.com;
 4 bestofbigcity.com; bigcity.com; chicagobackpage.com;
 5 denverbackpage.com; newyorkbackpage.com;
 6 phoenixbackpage.com; sandiegobackpage.com; seattlebackpage.com; and
 7 tampabackpage.com (collectively, the "Seized Domain Names"), and all
 8 rights and privileges associated therewith.

9 **SURRENDERED⁶ DOMAIN NAMES**

10 nnn. admoderation.com; admoderators.com; adnet.ws;
 11 adplace24.com; adplaces24.com; adpost24.com; adpost24.cz;
 12 adquick365.com; adreputation.com; ads-posted-mp.com; adsplace24.com;
 13 adspot24.com; adspots24.com; adsspot24.com; adtechbv.co.nl;
 14 adtechbv.com; adtechbv.nl; advert-ep.com; adverts-mp.com; axme.com;
 15 back0age.com; backpa.ge; backpae.com; backpage-insider.com;
 16 backpage.adult; backpage.ae; backpage.at; backpage.ax; backpage.be;
 17 backpage.bg; backpage.bg; backpage.ca; backpage.cl; backpage.cn;
 18 backpage.cn; backpage.co.id; backpage.co.nl; backpage.co.nl;
 19 backpage.co.nz; backpage.co.uk; backpage.co.ve; backpage.co.za;
 20 backpage.com; backpage.com.ar; backpage.com.au; backpage.com.ph;
 21 backpage.cz; backpage.dk; backpage.ec; backpage.ee; backpage.ee;
 22 backpage.es; backpage.fi; backpage.fi; backpage.fr; backpage.fr;
 23 backpage.gr; backpage.gr; backpage.hk; backpage.hk; backpage.hu;
 24 backpage.hu; backpage.ie; backpage.in; backpage.it; backpage.jp;
 25 backpage.kr; backpage.lt; backpage.lv; backpage.lv; backpage.me;

26
 27 ⁶ On April 5, 2018, in the District of Arizona, Backpage.com,
 28 LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money
 laundering conspiracy). Pursuant to its guilty plea, Backpage
 surrendered certain assets, including those identified herein.

1 backpage.mx; backpage.my; backpage.net; backpage.nl; backpage.no;
2 backpage.no; backpage.nz; backpage.pe; backpage.ph; backpage.pk;
3 backpage.pl; backpage.porn; backpage.pt; backpage.ro; backpage.ro;
4 backpage.se; backpage.sex; backpage.sg; backpage.si; backpage.si;
5 backpage.sk; backpage.sk; backpage.sucks; backpage.tw; backpage.uk;
6 backpage.uk.com; backpage.us; backpage.vn; backpage.xxx;
7 backpage.xyz; backpagecompimp.com; backpagecompimps.com;
8 backpagepimp.com; backpagepimps.com; backpageg.com; backpagegm.com;
9 backpagu.com; backpaoe.com; backpawe.com; backqage.com; backrage.com;
10 backxage.com; bakkpape.com; bcklistings.com; bestofbackpage.com;
11 bestofbigcity.com; bickpage.com; bigcity.com; bpclassified.com;
12 bpclassifieds.com; carlferrer.com; clasificadosymas.com;
13 clasificadosymas.net; clasificadosymas.org;
14 classifiedsolutions.co.uk; classifiedsolutions.net;
15 classyadultads.com; columbusbackpage.com; connecticutbackpage.com;
16 cracker.co.id; cracker.com; cracker.com.au; cracker.id;
17 cracker.net.au; crackers.com.au; crackers.net.au; ctbackpage.com;
18 dallasbackpage.com; denverbackpage.com; easypost123.com;
19 easyposts123.com; emais.com.pt; evilempire.com; ezpost123.com;
20 fackpage.com; fastadboard.com; guliettagroup.nl; http.org;
21 ichold.com; internetspeechfoundation.com;
22 internetspeechfoundation.org; loads2drive.com; loadstodrive.com;
23 loadtodrive.com; losangelesbackpage.com; mediafilecloud.com;
24 miamibackpage.com; minneapolisbackpage.com; mobileposting.com;
25 mobilepostings.com; mobilepostlist.com; mobilposting.com; naked.city;
26 nakedcity.com; newyorkbackpage.com; paidbyhour.com; petseekr.com;
27 petsfindr.com; phoenixbackpage.com; posteasyl23.com; postfaster.com;
28 postfastly.com; postfastr.com; postonlinewith.com; postonlinewith.me;

1 postseasy123.com; postsol.com; postszone24.com; postzone24.com;
 2 postzones24.com; rentseekr.com; results911.com; sandiegobackpage.com;
 3 sanfranciscobackpage.com; seattlebackpage.com; sellyostuffonline.com;
 4 sfbackpage.com; simplepost24.com; simpleposts24.com; svc.ws;
 5 truckrjobs.com; ugctechgroup.com; universads.nl;
 6 villagevoicepimps.com; websitetechnologies.co.uk;
 7 websitetechnologies.com; websitetechnologies.net;
 8 websitetechnologies.nl; websitetechnologies.org; weprocessmoney.com;
 9 wst.ws; xn--yms-fla.com; ymas.ar.com; ymas.br.com; ymas.br.com;
 10 ymas.bz; ymas.bz; ymas.cl; ymas.cl; ymas.co.bz; ymas.co.bz;
 11 ymas.co.cr; ymas.co.cr; ymas.co.ni; ymas.co.ni; ymas.co.ve;
 12 ymas.co.ve; ymas.com; ymas.com.br; ymas.com.br; ymas.com.bz;
 13 ymas.com.bz; ymas.com.co; ymas.com.co; ymas.com.do; ymas.com.do;
 14 ymas.com.ec; ymas.com.ec; ymas.com.es; ymas.com.es; ymas.com.gt;
 15 ymas.com.gt; ymas.com.hn; ymas.com.hn; ymas.com.mx; ymas.com.ni;
 16 ymas.com.ni; ymas.com.pe; ymas.com.pe; ymas.com.pr; ymas.com.pr;
 17 ymas.com.pt; ymas.com.uy; ymas.com.uy; ymas.com.ve; ymas.com.ve;
 18 ymas.cr; ymas.cr; ymas.do; ymas.do; ymas.ec; ymas.ec; ymas.es;
 19 ymas.es; ymas.org; ymas.pe; ymas.pe; ymas.pt; ymas.us; ymas.us;
 20 ymas.uy; ymas.uy; and ymas.uy.com (collectively, the "Surrendered
 21 Domain Names"), and all rights and privileges associated therewith.

22 **OTHER BACKPAGE SURRENDERED ASSETS**

23 ooo. \$699,940.00 surrendered on or about April 6, 2018, from ING
 24 Bank account '7684, ("ING '7684 Funds"), held in the name of Payment
 25 Solutions BV.

26 ppp. \$106,988.41 surrendered on or about April 6, 2018, from ING
 27 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
 28 Solutions BV.

1 qqq. \$499,910.01 surrendered on or about April 6, 2018, from US
2 Bank account '0239 ("US Bank '2039 Funds"), held in the name of
3 Affordable Bail Bonds LLC.

4 rrr. \$50,000.00 surrendered on or about April 6, 2018, from
5 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
6 the name of Global Trading Solutions LLC.

7 sss. \$1,876.36 surrendered on or about August 23, 2018, from ING
8 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
9 Solutions BV.

10 ttt. \$50,357.35 surrendered on or about August 24, 2018, from
11 ING Bank account '7684 ("ING '7684 Funds"), held in the name of
12 Payment Solutions BV.

13 uuu. \$248,970.00 surrendered on or about May 11, 2018, from
14 Citibank NA, account '0457 ("Citibank NA '0457 Funds"), held in the
15 name of Paul Hastings LLP.

16 vvv. \$52,500.00 surrendered on or about June 25, 2018, from
17 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
18 the name of Global Trading Solutions LLC.

19 www. \$65,000.00 surrendered on or about July 18, 2018, from
20 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
21 the name of Global Trading Solutions LLC.

22 xxx. \$5,534.54 surrendered on or about August 9, 2018, from
23 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
24 the name of Global Trading Solutions LLC.

25 yyy. \$40,000.00 surrendered on or about July 16, 2018, from
26 Crypto Capital

27 zzz. 6 Bitcoins surrendered on or about April 6, 2018, from a
28 Backpage controlled wallet;

1 aaaa. 199.99995716 Bitcoins surrendered on or about April 6,
2 2018, from a Backpage controlled wallet;

3 bbbb. 404.99984122 Bitcoins surrendered on or about April 6,
4 2018, from a Backpage controlled wallet;

5 cccc. 173.97319 Bitcoins surrendered on or about April 26,
6 2018, from a Backpage controlled wallet;

7 dddd. 411.00019 Bitcoins surrendered on or about April 13,
8 2018, from a Backpage controlled wallet;

9 eeee. 2.00069333 Bitcoins surrendered on or about May 7,
10 2018, from a Backpage controlled wallet;

11 ffff. 136.6544695 Bitcoins surrendered on or about June 15,
12 2018, from a Backpage controlled wallet;

13 gggg. 2,673.59306905 Bitcoins Cash surrendered on or about
14 April 26, 2018, from a Backpage controlled wallet;

15 hhhh. 55.5 Bitcoins Cash surrendered on or about May 3,
16 2018, from a Backpage controlled wallet;

17 iiii. 73.62522241 Bitcoins Cash surrendered on or about June
18 15, 2018, from a Backpage controlled wallet;

19 jjjj. 16,310.79413202 Litecoins surrendered on or about
20 April 26, 2018, from a Backpage controlled wallet;

21 kkkk. 783.9735116 Litecoins surrendered on or about June 15,
22 2018, from a Backpage controlled wallet;

23 llll. 509.81904619 Bitcoins Gold surrendered on or about
24 June 21, 2018, from a Backpage controlled wallet; and

25 mmmm. \$3,713,121.03 surrendered on or about August 13, 2018,
26 from Bank of America account '3414, held in the name of Davis Wright
27 Tremaine, LLP.

1 **NATURE OF THE ACTION AND CLAIMS FOR RELIEF**

2 5. This is a civil action *in rem* to forfeit assets derived
3 from or traceable to proceeds of one or more crimes defined as
4 "specified unlawful activity" ("SUA"); and/or involved in one or more
5 conspiracies to launder money, internationally launder money for
6 promotion of one or more SUA, and/or financial transactions involving
7 illicit proceeds. The property sought for forfeiture is located in
8 the United States and abroad, including the Country of Hungary, the
9 Czech Republic, the Principality of Liechtenstein, and the Kingdom of
10 the Netherlands.

11 6. The Subject Assets, including the DEFENDANT ASSETS,
12 represent property derived from or traceable to proceeds to multiple
13 knowing violations of federal laws constituting SUA, including 18
14 U.S.C. §§ 1591 (Sex Trafficking of Children) and 1952 (Interstate and
15 Foreign Travel in Aid of Racketeering Enterprise). The DEFENDANT
16 ASSETS are therefore subject to forfeiture pursuant to 18 U.S.C. §
17 981(a)(1)(C).

18 7. Further, the Subject Assets, including the Defendant
19 Assets, represent property involved in or traceable to one or more
20 transactions or attempted transactions in violation of:

21 a. 18 U.S.C. § 1956(a)(1)(B)(i) (Money Laundering for
22 Concealment) and a conspiracy to commit such offenses, in violation
23 of 18 U.S.C. § 1956(h);

24 b. 18 U.S.C. § 1956(a)(2) (International Money Laundering for
25 Promotion) and a conspiracy to commit such offenses, in violation of
26 18 U.S.C. § 1956(h); and

27 c. 18 U.S.C. § 1957 (Monetary Transactions with Proceeds of
28 SUA) and a conspiracy to commit such offenses, in violation of 18

1 U.S.C. § 1956(h)

2 The Defendant Assets are therefore subject to forfeiture pursuant to
3 18 U.S.C. § 981(a)(1)(A).

4 **JURISDICTION AND VENUE**

5 8. This civil forfeiture action is brought pursuant to 18
6 U.S.C. § 981(a)(1).

7 9. This Court has jurisdiction over this matter pursuant to 28
8 U.S.C. §§ 1345 and 1355.

9 10. Venue lies in this district pursuant to 28 U.S.C. §§
10 1355(b)(1)(A) or 1355(b)(2) because acts and omissions giving rise to
11 the forfeiture took place in the Central District of California
12 and/or 28 U.S.C. § 1395(b), because certain of the Subject Assets are
13 located in the Central District of California.

14 **INDIVIDUALS AND ENTITIES**

15 11. Backpage.com, LLC, ("Backpage") incorporated in Delaware in
16 2004, was an internet-based company that allowed customers to post
17 on-line classified advertisements. These advertisements were posted
18 in a variety of categories, including adult, automotive, community,
19 dating, jobs, local places, musicians, rentals and services. Prior
20 to its closure by federal law enforcement authorities in April 2018,
21 Backpage was visited by 75 to 100 million unique internet visitors
22 per month.

23 12. Between 2004 and April 2018, Backpage realized annual
24 profits of tens of millions of dollars from adult advertisements.
25 Historically, the adult category, where Backpage advertisers posted
26 sex trafficking ads, made up less than ten percent of all the
27 website's advertisements. However, those ads generated more than 90
28 percent of Backpage's revenue.

1 13. Lacey was a co-creator of Backpage.com who was responsible
2 for the website's policies and strategic direction. Lacey maintained
3 significant control over the website during the relevant period
4 described in this complaint, and continued to receive tens of
5 millions of dollars in Backpage-related distributions even after
6 purportedly selling his interest in Backpage in 2015.

7 14. Larkin was a co-creator of Backpage.com who was responsible
8 for the website's policies and strategic direction. Larkin
9 maintained significant control over the website during the relevant
10 period described in this complaint, and continued to receive tens of
11 millions of dollars in Backpage-related distributions even after
12 purportedly selling his interest in Backpage in 2015.

13 15. Carl Ferrer ("Ferrer"), though not an original owner, was a
14 co-creator and one of the original officers of Backpage, having
15 initially served as Backpage's vice-president, and later as CEO.
16 Ferrer is also the CEO of several Backpage-related entities in the
17 Netherlands, including "Website Technologies," "Amstel River
18 Holdings," and "Ad Tech BV."

19 16. John "Jed" Brunst ("Brunst") was a minority owner of
20 Backpage who owned 5.67 percent of the company at the time of its
21 inception. Brunst served as the Chief Financial Officer of Backpage
22 and several of Backpage's parent companies.

23 17. Spear was a minority owner of Backpage who owned 4.09
24 percent of the company at the time of its inception. Spear served as
25 Executive Vice President of one of Backpage's parent companies.

26 18. "M.G." had no formal position at Backpage, but was the
27 President, Chief Executive Officer, Treasurer, and Secretary of
28 Posting Solutions LLC, a wholly owned Backpage subsidiary with a

1 principal place of business in Dallas, Texas ("Posting Solutions"),
2 which accepted payments from Backpage advertisers. M.G. was also the
3 Chief Financial Officer of Website Technologies, and directed and
4 controlled many of the international and domestic financial
5 transactions of Backpage and its related entities.

6 19. Daniel Hyer ("Hyer") served as Backpage's Sales and
7 Marketing Director. He remained an account signatory for numerous
8 Backpage-controlled entities, including Website Technologies, until
9 Backpage's closure.

10 20. Andrew Padilla ("Padilla") served as Backpage's Operations
11 Manager.

12 21. Joye Vaught ("Vaught") served as Backpage's assistant
13 Operations Manager.

14 22. Lacey, Larkin, Ferrer, Brunst, Spear, M.G., Hyer, Padilla,
15 and Vaught are referred to collectively herein as "Backpage
16 Operators."

17 EVIDENCE SUPPORTING FORFEITURE

18 **I. The Formation and Evolution of Backpage**

19 23. Lacey and Larkin were the founders of the *Phoenix New*
20 *Times*, an alternative newspaper based in Arizona. Lacey and Larkin
21 subsequently acquired several other alternative newspapers that they
22 operated through an entity called Village Voice Media Holdings
23 ("VVMH"). Spear served as VVMH's Executive Vice President and Brunst
24 served as VVMH's Chief Financial Officer.

25 24. As far back as the 1980's, VVMH publications routinely
26 included ads for prostitution.

27 25. By 2000, the popularity of the website www.craigslist.com
28 ("Craigslist"), which offered free classified ads that included

1 prostitution ads, began to disrupt VVMH's business, which depended on
2 classified advertising revenue.

3 26. Lacey and Larkin, assisted by Ferrer, sought to address
4 this disruption by creating Backpage, which would compete directly
5 with Craigslist. As stated in an internal Backpage document, "[I]n
6 2004, in response to the Craigslist threat that was decimating daily
7 newspapers, VVMH launched its own online classified site,
8 Backpage.com, named after the back page of VVMH's print publication."

9 27. From 2004 until 2015, Lacey and Larkin bore primary
10 responsibility for Backpage's policies and strategic direction. In
11 2015, Lacey and Larkin purported to sell to Ferrer all or
12 substantially all of their respective interests in Backpage. In
13 fact, Lacey and Larkin retained significant control over Backpage,
14 and both continued to receive millions of dollars of annual
15 distributions of Backpage revenue after the purported sale.

16 28. From its inception, most of Backpage's earnings represented
17 the proceeds of illegal activity, specifically prostitution and sex
18 trafficking, including child sex trafficking. By 2015, the major
19 credit card companies were refusing to process payments to or for
20 Backpage, and banks were closing Backpage's accounts out of concern
21 the accounts were being used for illegal purposes.

22 29. In response to these measures, the Backpage Operators
23 initiated and pursued a wide variety of money laundering strategies
24 and techniques designed, in part, to conceal the source and location
25 of the revenues generated by Backpage ads, including ads for human
26 trafficking and illegal prostitution. These strategies included (a)
27 instructing customers to send checks and money orders to a Post
28 Office box, funneling those funds into bank accounts held in the

names of entities with no apparent connection to Backpage, and then giving customers a corresponding "credit" to purchase Backpage ads; (b) accepting Backpage proceeds through foreign bank accounts and thereafter redirecting the funds to Backpage Operators in the U.S. and abroad, or transferring the funds back to domestic bank accounts (to conceal the nature, source, location, ownership and control of those funds and promote Backpage's ongoing illegal operations); and (c) converting customers payments and the proceeds of Backpage's illegal business into and out of digital currency.⁷

II. The Sources and Manipulation of Backpage Criminal Proceeds

A. Backpage Promotion of Prostitution and Sex Trafficking

30. Numerous Backpage ads were used to sell minors for sex and forcibly traffic adult women for sex. Among the pimps and sex traffickers who used Backpage to advertise their victims were many who were later convicted of sex trafficking offenses. For example,

a. During 2014 and 2015, a pimp sold S.F., a minor girl, for sex. The pimp advertised S.F. on Backpage's "Escort" section in the Los Angeles area of California and in Arizona. The ad contained phrases such as "New In Town" and "Sexy Dark Asian Bombshell with a Nice & Tight {Booty}." The ad selling S.F. on Backpage included multiple pictures showing her legs, stomach, shoulders and buttocks. The pimp who placed the ad was ultimately arrested, convicted on state sex trafficking charges, and sentenced to 196 years

⁷ Digital currency (also known as crypto-currency) is generally defined as an electronic-sourced unit of value that can be used as a substitute for fiat currency (i.e., currency created and regulated by a sovereign government). It exists entirely on the Internet and is not stored in any physical form. It is not issued by any government, bank, or company, but is instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Bitcoins, Bitcoins Cash and Litecoin are types of crypto-currency.

1 imprisonment.

2 b. During 2014 and 2015, the same pimp sold A.C., a minor
3 girl, for sex. In November 2014, at the age of 17, A.C. was first
4 sold for sex through a Backpage ad using phrases such as "NEW IN
5 TOWN," "sexy sweet," and "sweet like honey but super hot like fire."
6 The Backpage ad selling A.C. included pictures of her showing her
7 legs, stomach, shoulder, and buttocks, and posed in sexually
8 provocative positions.

9 c. Between November and December 2015, a pimp drove two women
10 and four minor girls (T.S., S.L., K.O., and R.W.) from Columbus, Ohio
11 to a hotel in St. Charles, Missouri. The next day, the pimp told the
12 girls to post ads on Backpage.com. Some of the girls took calls and
13 engaged in paid sex acts with Backpage customers who responded to the
14 ads. The ads the girls posted included pictures of them on a bed
15 showing their buttocks. Another image featured a naked girl's body
16 pressed against a mirror. Other pictures appeared more mundane, such
17 as images of girls posing clothed in front of a mirror. However,
18 these ads used phrases like "I'm sweet as a treat maybe even sweeter"
19 and "not a lot need to be said. my pic are 100% real." In 2017, this
20 pimp was convicted of Federal sex trafficking charges and sentenced
21 to 300 months in prison.

22 d. In or around 2010, in Washington, J.S., a minor girl, was
23 sold for sex through the use of Backpage ads. J.S.'s pimp drafted
24 the ads, which contained words and phrases such as,
25 "W'E'L'L_W'O'R'T'H_I'T***^***150HR" and "IT WONT TAKE LONG AT ALL."
26 The ads included pictures of J.S. in provocative positions showing
27 her breasts and buttocks. On March 29, 2011, the pimp who sold J.S.
28 for sex was sentenced to over 26 years imprisonment on Federal

1 charges related to sex trafficking.

2 e. Between 2011 and 2016, a female victim, D.O., who was
3 between the ages of 14 and 19 during those years, was sold for sex
4 through Backpage ads. D.O.'s female pimp instructed D.O. that
5 Backpage was the safest place to advertise because Backpage did not
6 require age verification. D.O.'s Backpage ads included words and
7 phrases that were indicative of prostitution, such as "roses" (money)
8 and "back door" (anal sex). Some of the customers who responded to
9 D.O.'s Backpage ads forced D.O. to perform sexual acts at gunpoint,
10 choked her to the point of having seizures, and gang-raped her.

11 31. Plaintiff alleges that all levels of Backpage management,
12 including the Backpage Operators, were aware of Backpage's role in
13 promoting criminal activity. For example:

14 a. On September 21, 2010, a group of state attorneys general
15 ("AG") wrote a letter to Backpage observing that "ads for
16 prostitution-including ads trafficking children-are rampant on the
17 site," and arguing that "[b]ecause Backpage cannot, or will not,
18 adequately screen these ads, it should stop accepting them
19 altogether." The state AGs acknowledged that this step would cause
20 Backpage to, "lose the considerable revenue generated by the adult
21 services ads," but stated that "no amount of money can justify the
22 scourge of illegal prostitution, and the misery of the women and
23 children who will continue to be victimized in the marketplace
24 provided by Backpage."

25 b. Also in mid-September 2010, Ferrer wrote an email
26 explaining that Backpage was unwilling to delete ads that included
27 terms indicative of prostitution because doing so would "piss[] off a
28 lot of users who will migrate elsewhere," and force Backpage to

1 refund those customers' fees.

2 c. In January 2017, the U.S. Senate Subcommittee on Permanent
3 Investigations ("Subcommittee") conducted a lengthy investigation
4 into sex trafficking and Backpage, resulting in a 50-page report
5 entitled "Backpage.com's Knowing Facilitation of Online Sex
6 Trafficking." The report concluded, among other things, that
7 virtually all of Backpage's "adult" ads were actually solicitations
8 for illegal prostitution services and that "Backpage [] maintained a
9 practice of altering ads before publication by deleting words,
10 phrases, and images indicative of criminality, including child sex
11 trafficking Those practices served to sanitize the content
12 of innumerable advertisements for illegal transactions-even as
13 Backpage represented to the public and the courts that it merely
14 hosted content others had created." In response to the
15 Subcommittee's report, Backpage purported to shut down the "adult"
16 section of its website. However, a review of several thousand
17 Backpage ads demonstrated that the prostitution ads simply migrated
18 to other sections of the website, where they remained accessible
19 until the site was forced to shut down.

20 d. On August 5, 2011, Backpage received a letter from the
21 mayor of Seattle. This letter warned, "Seattle Police have
22 identified an alarming number of juvenile prostitutes advertised on
23 Backpage.com since January 2010," and explained that Backpage was
24 dissimilar from other companies whose products and services are
25 "occasionally or incidentally" utilized by criminals because "[y]our
26 company is in the business of selling sex ads" and "your services are
27 a direct vehicle for prostitution." The letter recommended that
28 Backpage require in-person age verification for all of the "escorts"

1 depicted in its ads. Backpage never instituted an in-person age
2 verification requirement.

3 32. Backpage instituted and maintained policies and procedures
4 designed to cultivate and sustain its promotion of sex trafficking
5 and prostitution, but which "sanitized" some of the language Backpage
6 customers used to advertise in order to make the advertising of sex
7 trafficking less overt. Backpage referred to this practice as
8 "moderation." For example:

9 a. In April 2008, Ferrer wrote an email explaining that,
10 although he (Ferrer) was "under pressure to clean up Phoenix's adult
11 content," he was unwilling to delete prostitution ads because doing
12 so "would put us in a very uncompetitive position with craig[slist]"
13 and result in "lost pageviews and revenue." Ferrer instructed
14 Backpage's technical staff to edit the wording of such ads by
15 removing particular terms that were indicative of prostitution, but
16 allow the remainder of the ad to be featured on Backpage's website.

17 b. On October 8, 2010, a Backpage manager sent an email to
18 certain Backpage employees and managers threatening to fire any
19 Backpage employee who acknowledged, in writing, that a customer was
20 advertising prostitution: "Leaving notes on our site that imply that
21 we're aware of prostitution, or in any position to define it, is
22 enough to lose your job over. . . . This isn't open for discussion.
23 If you don't agree with what I'm saying completely, you need to find
24 another job."

25 c. On October 16, 2010, the same Backpage manager sent an
26 email to a large group of Backpage employees that contained two
27 attachments providing guidance on how to "moderate" ads. The first
28 was a PowerPoint presentation that displayed a series of 38 nude and

1 partially-nude photographs, some of which depicted graphic sex acts.
2 Next to each picture was an instruction as to whether it should be
3 approved or disapproved by a Backpage moderator. These instructions
4 included "Approve. Nude rear shots are okay as long the model is not
5 exposing her anus or genitalia." and "Approve. Rear shot okay.
6 Transparent wet panties okay." The second attachment was an Excel
7 spreadsheet identifying 50 terms (all of which were indicative of
8 prostitution) that should be "stripped" from ads before publication.
9 The Backpage manager concluded the email by stating, "[I]t's the
10 language in ads that's really killing us with the Attorneys General.
11 Images are almost an afterthought to them."

12 d. On October 16, 2010, the same Backpage manager sent an
13 internal email explaining, "I'd like to still avoid Deleting ads when
14 possible;" "we're still allowing phrases with nuance;" and "[i]n the
15 case of lesser violations, editing should be sufficient."

16 e. On October 25, 2010, Ferrer sent an email to Padilla
17 acknowledging that the "[i]llegal content removed" through Backpage's
18 moderation processes was "usually money for sex act." This email
19 also explained that, after the "sex act pics are removed," the "ad
20 text may stay."

21 f. On October 27, 2010, a different Backpage manager sent an
22 internal email stating that Backpage was "editing 70 to 80%" of the
23 ads it received from customers.

24 g. On June 7, 2011, Ferrer received an inquiry from a law
25 enforcement official about a particular ad that included the term
26 "amber alert." In response, Ferrer acknowledged this might be "some
27 kind of bizarre new code word for an under aged person." Ferrer then
28 forwarded this exchange to a Backpage manager and instructed that the

1 term "amber alert" be added to Backpage's "strip out" list.

2 h. On August 31, 2011, Backpage managers exchanged emails in
3 which they discussed a list of 100 "solid sex for money terms."
4 Later emails indicate that this list of terms changed but, in
5 general, the list prohibited use of certain terms that Backpage
6 management and employees closely identified with the obvious
7 promotion of sex trafficking and prostitution.

8 i. One Backpage manager acknowledged in the August 31, 2011
9 email exchange that a large proportion of the ads originally
10 submitted by Backpage's customers contained text and pictures that
11 were indicative of sex trafficking. Nevertheless, Backpage published
12 those ads after editing them to appear less obvious in promoting
13 illegal activity. Backpage sex trafficking ads adapted to Backpage's
14 moderation policy by using "phrases with nuance" when promoting sex
15 trafficking. Following the implementation of "moderation,"
16 Backpage's list of prohibited terms changed and evolved over time to
17 adjust to Backpage advertisers' use of new code words to promote
18 prostitution. In other words, once a code word or phrase not
19 previously associated with sex-for-money became too familiar, or was
20 deemed too closely associated with certain sex trafficking activities
21 in the Backpage community of advertisers, Backpage's "moderation"
22 policy would be adapted by adding such words or phrases to the
23 "blocked" list or risk being too obvious in its promotion.

24 33. Plaintiff alleges that Backpage's policy of "moderation"
25 only caused ads explicitly promoting sex trafficking to become more
26 coded and implicit in the ads' purpose.

27 a. Well over half of the Backpage classified ads in various
28 Backpage categories used terms and phrases (including "massage,"

1 "dating," "escort" and others) that are consistent with sex
2 trafficking and prostitution. These terms and phrases included,
3 "roses" (money, e.g., "150 roses/half hour"), "in-call" (where the
4 customer goes to the prostitute's location), "outcall" (where the
5 prostitute goes to the customer's location), "GFE" (girlfriend
6 experience), and "PSE" (porn star experience).

7 b. Other Backpage ads used language that was mostly free of
8 coded language, but included sexually provocative images. The
9 sexually suggestive images included in these ads were typical of ads
10 for prostitution. For example, one such ad posted in Backpage's Los
11 Angeles dating section depicted images of a woman on a bed with her
12 buttocks presented in a sexual manner; another included a picture of
13 a woman's cleavage; others included pictures of women posing in
14 sexual positions wearing lingerie and pictures of a woman bending
15 over, revealing her naked buttocks.

16 c. Backpage's policy of moderation had the effect of causing
17 and allowing otherwise neutral or innocuous terms to be understood
18 within the Backpage community as coded language for sex trafficking
19 and prostitution. Because of the evolving use of coded terms, a
20 reader of such ads who was familiar with the particular vocabulary
21 used in Backpage "adult" ads could readily identify coded terms and
22 images indicating an ad for prostitution, while an uninitiated reader
23 may not understand these terms at all, or at least not as being
24 associated with sex-for-money.

25 34. Almost all "adult"-type Backpage ads listed phone numbers
26 or emails that a potential customer could use to make contact with
27 the advertiser. Comparing a sample of phone numbers and emails found
28 within Backpage ads with phone numbers and emails that were

1 frequently included in the memo sections of checks that Backpage
2 advertisers use to pay Backpage for ads, revealed that the same
3 numbers and/or email addresses appeared in multiple Backpage ads as
4 contact information. For example:

5 a. A \$25 USPS Money Order purchased on June 15, 2017, in
6 Duarte, California, made payable to "Posting Solutions PO BOX 802426,
7 Dallas, TX," and thereafter deposited into Account 1, bore a notation
8 listing a phone number and the words "Dulce Latina." A search of
9 Backpage ads showed almost 800 advertisements listing the same phone
10 number.

11 b. A \$20 USPS Money Order purchased in Sacramento, California,
12 and later deposited into Account 1 bore a notation listing a phone
13 number and the words "love my lips." A search of Backpage ads
14 revealed almost 1300 advertisements listing the same phone number.

15 c. A \$150 Wells Fargo Bank Money Order, purchased in Arizona,
16 and made payable to "Posting Solutions," bore an email address and
17 the words, "red hot stuff." The same email address was found to be
18 associated with advertisements on several female escort websites that
19 directed customers to contact an Arizona phone number ending in 2397.
20 A search of Backpage.com for this phone number revealed approximately
21 760 ads that included this phone number. These Backpage ads included
22 images indicative of prostitution. For example, one such ad posted
23 on Backpage's "massage" section included sexual images such as a
24 woman lying on a bed wearing lingerie and a woman laying naked on her
25 stomach. One of the ads described, "Pampering provider | Body Rub
26 Massage | Body Shampoo | Body Scrub | 4 hands | Walk ins or
27 appointment." Legal massage advertisements do not typically depict
28 sexual images. This advertisement depicted sexual images and

1 included terms like "4 hands," which is coded language describing a
2 massage given to a customer by two women. Such advertisements are
3 indicative of prostitution.

4 35. The Backpage ads that shared the same phone number or email
5 address typically also included sexually suggestive images of
6 different women. Such ads are consistent with ads posted by pimps or
7 prostitution agencies that are using the same phone number or email
8 to advertise different women (or girls) to prospective prostitution
9 clients.

10 **B. Payments for Advertising on Backpage**

11 36. In order to post an ad on Backpage, an advertiser had to
12 pay Backpage by one of several methods, including check, cash, and,
13 until about 2015, credit card payments processed through U.S. credit
14 card payment processors. The proceeds from these ads, the vast
15 majority of which were sexually explicit in nature, would then be
16 deposited into various Backpage owned or controlled bank accounts.
17 For example, Backpage's U.S. Bank account '1165, originated in or
18 about April 2010, received several million dollars from the revenue
19 generated from the sale of ads, including ads promoting the
20 trafficking of minors and illegal prostitution.

21 37. However, in or around 2015, following negative publicity
22 associated with Backpage, some of the major credit card companies
23 enacted what Backpage Operators termed a "blockade." Essentially,
24 these companies refused to process credit card payments directed to
25 Backpage. In order to circumvent the blockade, Ferrer and other
26 Backpage Operators set up agreements with foreign persons and
27 partners to "franchise" websites for the sole purpose of accepting
28 credit card payments outside of the United States, with the funds

1 being funneled to Backpage.

2 38. Also in or around 2015, in response to the blockade,
3 Backpage designed a mechanism to allow advertisers to buy Backpage
4 "credits," which could be accomplished in several ways, including:

5 a. mailing gift cards, checks, or money orders to "Posting
6 Solutions" at a P.O. Box in Dallas, Texas;

7 b. using a credit card to buy credits through a third-party
8 credit card payment processor;

9 c. paying with digital currency (specifically, Backpage
10 accepted Bitcoins, Bitcoins Cash, Litecoin, and Ethereum). If the
11 advertiser selected this option, Backpage provided a digital currency
12 wallet address where the advertiser could send the electronic
13 transfer of the digital currency; and

14 d. paying with currency through a third party payment
15 processor. Once the third-party payment processor received the
16 currency, it would convert it to digital currency and then
17 electronically transfer that digital currency to a Backpage digital
18 currency wallet.

19 39. Digital Currency was processed through the subject accounts
20 in the following way:

21 a. When Backpage received digital currency, it would aggregate
22 the digital currency and then transfer it to a third-party exchanger
23 like GoCoin;⁸

24 b. In exchange for the digital currency, the exchanger would
25

26 ⁸ GoCoin is a digital currency exchanger that converts Bitcoins
27 and another digital currency into fiat currency, like the U.S. Dollar
28 or the Euro. GoCoin is owned by Manx Broadcasting Corporation, based
in the Isle of Man. GoCoin has offices in Singapore and Santa
Monica, California, and GoCoin holds bank accounts in several
countries, most or all of which are outside the United States.

1 transfer U.S. dollars from its foreign bank account(s) into Backpage
2 operating accounts in the United States or elsewhere. The exchanger
3 could then sell its Bitcoins on various Bitcoins markets.

4 40. Bitcoins payments for ads have resulted in the trafficking
5 of minors for sex. For example:

6 a. On September 6, 2015, a Bitcoins account associated with
7 the owner of the email address later convicted of having trafficked
8 minors for sex paid Backpage about \$4 worth of Bitcoins in order to
9 post an ad promoting the trafficking of certain victims in Palm
10 Springs, California.

11 b. On September 15, 2015, an email from the same email address
12 owner indicated a payment to Backpage of about \$8 worth of Bitcoins
13 in order to "Fund Account"⁹ for palmsprings.backpage.com.

14 c. On October 6, 2015, the same email address owner paid
15 Backpage about \$1 worth of Bitcoins to "Fund Account" on
16 palmsprings.backpage.com.

17 d. On October 30, 2015, a Bitcoins account associated with the
18 owner of the email address who trafficked minors for sex paid
19 Backpage about \$1 worth of Bitcoins in order to post an ad promoting
20 the trafficking of certain victims in Columbus, Ohio.

21 e. On November 2, 2015, this same email address owner paid
22 Backpage about \$1 worth of Bitcoins to "Move Ad to Top of Listings"
23 in the Columbus, Ohio Backpage ads.

24 f. On November 21, 2015, this same email address owner paid
25 Backpage about \$1 worth of Bitcoins to Backpage for credit for that
26 email owner's Backpage ad account.

27 ⁹ The email address owner provided Bitcoins to Backpage as a
28 "Fund Account" payment, that is, payment to Backpage as credit to be
used later to pay for Backpage ads.

1 41. Plaintiff contends that five to ten percent of the ads
2 posted on Backpage.com were placed within the Central District of
3 California (including Los Angeles and Orange Counties). Between
4 January 10 and February 3, 2016, approximately 500,000 ads were
5 posted on Backpage.com and paid for with Bitcoins, for which Backpage
6 received over \$3,840,000 in revenue. Of these approximately 500,000
7 ads, approximately 28,400 were posted only in
8 LosAngeles.Backpage.com, Ventura.Backpage.com,
9 SanLuisObispo.Backpage.com, OrangeCounty.Backpage.com, and
10 SanGabrielValley.Backpage.com. These specific ads generated
11 approximately \$184,479 in revenue.

12 42. When an advertiser (or "poster") purchased an ad for
13 prostitution using digital currency, the payment to Backpage (and
14 certain subsequent expenditures) proceeded in the following manner:

15 a. A poster would choose a payment method online (e.g.,
16 through Bitcoins payments);

17 b. If the poster did not already have Bitcoins, the Backpage
18 website would direct the poster to a third-party exchanger to buy
19 Bitcoins;

20 c. Backpage would then provide the poster with a wallet
21 address to send a specific amount of Bitcoins;

22 d. In return for sending the required payment, the poster
23 would receive credit that could be used to post ads on Backpage.

24 e. Backpage would sell the Bitcoins to a third party
25 exchanger, frequently GoCoin, in batches, generally valued in
26 hundreds of thousands, of dollars in order to convert the Bitcoins
27 into U.S. or foreign fiat currency, which GoCoin generally, if not
28 always, would hold in foreign bank accounts;

1 f. GoCoin would then wire funds from foreign accounts to
2 either (1) Backpage controlled foreign accounts; or (2) Backpage
3 controlled operating accounts in the United States;

4 g. These accounts were held and controlled by Backpage
5 Operators in the names of entities controlled by Backpage, including
6 Ad Tech BV, Posting Solutions, Website Technologies, and Cereus
7 Properties.

8 h. The funds derived from these foreign transactions would be
9 used by Backpage to pay service providers, like Verizon in Los
10 Angeles, or transferred to Backpage Operators' accounts and accounts
11 held in their family members' names.

12 i. For example:

13 a. In March 2015, Ad Tech BV, a Netherlands based
14 company, listing Ferrer as CEO and M.G. as CFO, opened a bank account
15 in the Liechtenstein (the "Netherlands Account"). M.G. is the
16 President, CEO, Treasurer and Secretary of Posting Solutions. From
17 March 2015 through November 2017, the Netherlands Account received
18 millions of dollars from Binary Trading SG PTE, Limited ("Binary
19 Trading"). On April 4, 2017, M.G. sent an email to employees of the
20 bank that maintains the Netherlands Account. The email explained:

21 Binary Capital is our trading partner, they hold money in
22 trust for Go Coin [sic]. Rather than incurring 3 sets of
23 wire fees which make our transactions unprofitable, they
24 act as our agent and disburse payments directly from our
25 trust account to our merchant.

26 b. For the period of September 4 through November 23,
27 2015, Backpage advertisers used Bitcoins to purchase about 1,000,000
28 "adult" ads from Backpage. Backpage then sold those Bitcoins to
GoCoin for approximately \$8.6 million. Included among the Bitcoins

1 sold to GoCoin during this period were payments pimps made to
2 Backpage to purchase ads to promote child prostitution.

3 c. For the period of December 14, 2015, through August
4 30, 2016, in approximately 154 wires, GoCoin accounts held in
5 Slovakia (the "Slovakia Account") and Singapore Account (the
6 "Singapore Account") transferred a total of approximately
7 \$26,100,235.83 to Branch Banking & Trust account '2008, in Plano,
8 Texas, owned by Website Technology ("Website Tech Account '2008").
9 On January 15, 2016, the Website Tech Account '2008 transferred
10 \$189,571 to Verizon in Los Angeles, California, in payment for
11 Backpage internet services.

12 d. Between January 21 and August 31, 2016, Website Tech
13 Account '2008 sent approximately 27 wire transfers totaling
14 approximately \$48,000,000 to Arizona Bank & Trust account number
15 '6211, belonging to Cereus Properties LLC, which is owned or
16 controlled by Spear, Backpage, and/or other Backpage Operators.

17 **C. Bases for Forfeiture**

18 43. The Defendant Assets constitute, and are derived from,
19 proceeds traceable to one or more violations of: (1) 18 U.S.C. § 1591
20 (Sex Trafficking of Children); and/or (2) U.S.C. § and 1952
21 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
22 each of which is SUA under 18 U.S.C. § 1956(c)(7)(A), and a
23 conspiracy to commit such offenses.

24 44. The Defendant Assets were involved in, and are traceable to
25 property involved in, one or more transactions or attempted
26 transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i) and a
27 conspiracy to commit such offenses, in violation of 18 U.S.C.
28 § 1956(h). Specifically, the Defendant Assets were involved in and

1 are traceable to property involved in one or more financial
2 transactions, attempted transactions, or a conspiracy to conduct or
3 attempt to conduct such transactions involving the proceeds of
4 specified unlawful activity, that is, 18 U.S.C. §§ 1591 and 1952, and
5 were designed in whole or in part to conceal or disguise the nature,
6 location, source, ownership or control of the proceeds of the SUA in
7 violation of 18 U.S.C. § 1956(a)(1)(B)(i).

8 45. The Defendant Assets were involved in, and are traceable to
9 property involved in, one or more transactions or attempted
10 transactions in violation of 18 U.S.C. § 1957, or a conspiracy to
11 commit such offenses, in violation of 18 U.S.C. § 1956(h).
12 Specifically, the Defendant Assets were involved in and are traceable
13 to property involved in one or more financial transactions, attempted
14 transactions, or a conspiracy to conduct or attempt to conduct such
15 transactions in criminally derived property of a value greater than
16 \$10,000 that was derived from SUA, that is, 18 U.S.C. §§ 1591 and
17 1952.

18 **III. Assets Representing, Traceable To, and Involved In**
19 **Specified Unlawful Activity**

20 **A. Account 1 (Prosperity '7188 Funds)**

21 46. On February 15, 2017, Posting Solutions opened Account 1.
22 M.G. is the sole signatory on the account (as described above,
23 Posting Solutions is wholly owned by and controlled by Backpage).

24 47. The application for the P.O. Box identifies the renter of
25 the box as "Website Technologies, LLC/Backpage.com." Listed on the
26 Application were the names of several Backpage Operators, including
27 Ferrer.

28 48. Between August 1 and September 1, 2017, Account 1 received

1 more than \$2,781,750 in wire transfers from foreign banks. For
2 example:

3 a. On or about August 16, 2017, Binary Trading wired \$535,500
4 from an account in Singapore into Account 1.

5 b. On or about August 17, 2017, Binary Trading wired \$528,500
6 from a Singapore account into Account 1.

7 c. On or about August 30, 2017, a company named Trilix PTE LTD
8 ("Trilix"), listing the same Singapore address as Binary Trading and
9 GoCoin, sent four wire transfers from the Singapore account into
10 Account 1, ranging from \$385,450 to \$492,250, totaling approximately
11 \$1,717,750.

12 49. Plaintiff alleges that a substantial percentage of outgoing
13 payments from Account 1 have been payments for the operation of
14 Backpage.com. For example, between July and October 2017, funds were
15 wired from Account 1, as following:

16 a. \$570,530 to Verizon Digital Media Services in Los Angeles
17 for services related to the Backpage.com website; and

18 b. \$1,497 to "Backupify," a company that provided data backup
19 services for Backpage.

20 **CEREUS PROPERTIES ASSETS**

21 **B. Account 2 (Compass `3873 Funds)**

22 50. Account 2 was held in the name of Cereus Properties LLC,
23 and Spear was the sole signatory. This account was funded in part
24 with transfers from Account 1, which funds are alleged to have been
25 traceable to SUA, involved in money laundering, or both, and was used
26 as a funnel account to pay Backpage Operators. On average, during
27 each month of 2017, several hundred thousand dollars were transferred
28 from Account 1 to Account 2. For example:

1 a. On August 31, 2017, Account 1 sent a wire transfer totaling
2 \$487,491.45 to Account 2.

3 b. On September 15, 2017, Account 1 sent a wire transfer
4 totaling \$91,672.67 to Account 2.

5 c. On October 2, 2017, Account 1 sent a wire transfer totaling
6 \$471,766 to Account 2.

7 51. Funds from Account 2 were also used to promote and
8 facilitate prostitution. For example:

9 a. On December 2, 2016, the Netherlands Account transferred
10 \$324,055.85 to Account 2;

11 b. On December 8, 2016, the Netherlands Account transferred
12 \$499,970.00 to Account 2;

13 c. On December 27, 2016, the Netherlands Account transferred
14 \$199,970.00 to Account 2; and

15 d. From March to December 2017, Account 2 paid over \$9,000 to
16 "Cox Communications," an internet services company that Backpage used
17 to facilitate its internet presence and promote its sale of
18 prostitution advertising.

19 **C. Account 3 (Compass '4862 Funds)**

20 52. Account 3, held in the name of Cereus Properties, was
21 funded with transfers from foreign and domestic banks, which funds
22 were traceable to SUA, involved in money laundering, or both,
23 including funds transferred from the Netherlands Account through one
24 of the Backpage Operators' go-between accounts¹⁰ (Wells Fargo Bank
25 account '9863 ("Account '9863")), and eventually funneled into
26

27 ¹⁰ A "go-between" (a.k.a., a "pass-through") is an account set up
28 for the main purpose of transferring funds from one or more bank
accounts to various other bank accounts, frequently as an attempt to
further conceal the true source and nature of the funds.

Account 3.

MICHAEL LACEY ASSETS

D. Account 4 (FFS&L of SR '3620 Funds)

53. Account 4, held in the name of Lacey, was funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. On October 2, 2017, Account 24 (which was itself funded with transfers from foreign and domestic banks with proceeds traceable to SUA, involved in money laundering, or both), transferred \$297,795 into Account 4, as further described below.

E. Accounts 5-10 (RBA '2485, '1897, '3126, '8316, '8324, and '8332)

54. Accounts 5, 6, and 7, each held in the name of Lacey, were funded with transfers from foreign and domestic banks, which funds were traceable to SUA, involved in money laundering, or both. Backpage Operators used Accounts 5, 6, and 7 as pass-through accounts.

a. On May 31, 2017, Account 2 transferred approximately \$676,808.04 into Account 5;

b. On June 30, 2017, Account 5 transferred \$600,000 to Account 6.

c. On October 2, 2017, Account 2 made two transfers:

i. \$297,795.54 transferred to Account 4; and

ii. \$694,856.25 wired to Account 11

d. On April 16, 2018, Lacey personally went into the Republic Bank of Arizona, withdrew \$500,000 from Account 5, and then used that \$500,000 as the initial deposit to open Account 7.

e. On or about February 15, 2018, Lacey drafted two \$600,000

1 checks (totaling \$1.2 million). One check was drawn from Account 11,
2 and the second was drawn from Account 4. These two checks were used
3 to fund Accounts 8, 9, and 10, respectively, with \$600,000.00,
4 \$300,000.00, and \$300,000.00.

5 **F. Account 11 (SFFCU `2523 Funds)**

6 55. Account 11 is held in the name of Lacey and an individual
7 listed in the Credit Union's records as Lacey's employee and
8 bookkeeper. Account 11 was funded with proceeds alleged to have been
9 traceable to SUA, involved in money laundering, or both.

10 a. On February 2, 2018, Account 2 (which then contained funds
11 traceable to SUA, involved in money laundering, or both) transferred
12 \$734,602.70 into Account 11.

13 **G. Account 12 (IOLTA `4139)**

14 56. Account 12 was an IOLTA held for the benefit of Lacey, and
15 was funded with proceeds traceable to SUA, involved in money
16 laundering, or both.

17 57. On January 4, 2017, the Singapore Account wired \$489,500
18 into a Posting Solutions controlled account held at Veritex Bank (the
19 "Veritex Account"). On January 20, 2017, the Singapore Account
20 directed two additional wires, for \$358,150 and \$470,150
21 respectively, into the Veritex Account. In total, the Singapore
22 Account transferred \$1,317,800 into the Veritex Account.

23 a. On or about February 23, 2017, the Veritex Account directed
24 two payments to Account 2, a wire of \$443,014, and a check for
25 \$27,887.41.

26 b. Between March 30 and September 14, 2017, Account 2 sent
27 five wires totaling \$4,058,063.65 to Account 12.

28 c. In July 2018, Account 12 was closed and a cashier's check

1 totaling \$2,412,785.47 was issued to Lacey's Annuity Fund, held at
2 Account 12.

3 **H. The Sebastopol Property**

4 58. The Sebastopol Property was purchased and maintained, in
5 whole or in part, using funds traceable to SUA, involved in money
6 laundering, or both.

7 59. In a series of transactions in December 2016, illicit
8 proceeds from the Netherlands Account would pass-through Account 2,
9 eventually ending up in Account 11. Additionally, between July and
10 October 2017, additional illicit proceeds from the Singapore Account
11 were passed-through Account 1 to Account 2, and eventually
12 transferred to Account 11. On or about October 10, 2017, over
13 \$10,000 of funds from Account 11 were used to support and maintain
14 the Sebastopol Property.

15 60. On February 11, 2016, a grant deed, instrument number
16 2016010019 of the Sonoma County official records, transferred the
17 Sebastopol Property to Lacey. Thereafter, on April 24, 2017, for no
18 consideration, Lacey transferred title of the Sebastopol Property to
19 his Delaware limited liability company, Sebastopol, LLC. As noted in
20 the grant deed:

21 "There was no consideration for this transfer. This is a
22 transfer between an individual or individuals and a legal
23 entity or between legal entities that results solely in a
24 change in the method of holding title and in which
proportional ownership interests in the realty remain the
same. . ."

25 61. On October 10, 2017, Lacey issued a \$12,956.25 check from
26 Account 11 to Sonoma County Tax Collector. The notation on this wire
27 was "2043 Pleasant Hill Dr Sebastopol."
28

I. San Francisco, California Property 1

62. San Francisco Property 1 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.

63. In order to acquire San Francisco Property 2, Lacey used funds transferred through the Singapore Account, the Website Tech Account '2008, and Cereus Properties accounts, as well as annuity accounts that Lacy controlled, as follows:

a. Illicit proceeds were deposited into the Singapore Account, passed-through Account 1, then passed-through Account 2 and transferred to Account 11. Thereafter, funds from Account 11 were used to support and maintain San Francisco Property 1.

b. On May 18, 2016, grant deed instrument number 2016-K245482-00 of the San Francisco County official records, transferred San Francisco Property 1 to Lacey and his female partner.

c. Thereafter, on October 10, 2017, over \$10,000 in funds from Account 11 were used to purchase or maintain San Francisco Property 1.

J. San Francisco Property 2

64. San Francisco Property 2 was purchased and maintained, in whole or in part, using funds traceable to SUA, involved in money laundering, or both.

65. During the period of December 14 through December 29, 2015, as GoCoin's partial payment for the Bitcoins Backpage sold it during the period of September 4 through November 23, 2015, the Slovakia Account wired over \$1,250,000 to Website Tech Account '2008.

66. After December 14, 2015, Website Tech Account '2008 then transferred funds via multiple pass-through accounts controlled by Lacey and other Backpage Operators, which, as of June 21, 2016,

1 resulted in approximately \$5,400,000 ending up in Arizona Bank &
2 Trust account '1793, controlled by Lacey ("AB&T Account '1793").

3 67. On June 27, 2016, AB&T Account '1793 wired \$397,500.00 to
4 Fidelity National Title Company. The notation on this wire was
5 "XXX(Earnest Money)XXXXXX." On July 20, 2016, AB&T Account '1793
6 wired \$12,859,152.57 to Fidelity National Title Company. The
7 notation on this wire was "XX(Balance of Property)XXXXX."

8 68. Casa Bahia for San Francisco, LLC, a Delaware limited
9 liability company, was the entity used to take title to San
10 Francisco, California Property 2, and is owned by Lacey. On July 21,
11 2016, by grant deed, San Francisco Property 2 was transferred to
12 Lacey. On June 21, 2017, by grant deed and for no consideration,
13 Lacy transferred San Francisco Property 2 to Casa Bahai for San
14 Francisco, LLC, a Delaware limited liability company, as evidenced by
15 instrument number 2017-K466276099 of the San Francisco County
16 official records. As noted in the grant deed:

17 There was no consideration for this transfer. This is a
18 transfer between an individual or individuals and a legal
19 entity or between legal entities that results solely in a
20 change in the method of holding title and in which
proportional ownership inters in the realty remain the
same. . .

21 **K. San Francisco Property 3**

22 69. San Francisco Property 3 was purchased and maintained, in
23 whole or in part, using funds traceable to SUA, involved in money
24 laundering, or both.

25 70. Beginning in February 2013, illicit funds from Backpage's
26 U.S. Bank account '1165 passed-through various Backpage or Backpage
27 Operators accounts, eventually ending up in BMO Harris account '5263,
28 owned or controlled by Lacy. In May 2015, over \$10,000 of funds from

1 BMO Harris account '5263 was used to purchase or maintain San
2 Francisco Property 3.

3 **L. Sedona Property**

4 71. The Sedona Property was purchased and maintained, in whole
5 or in part, using funds traceable to SUA, involved in money
6 laundering, or both.

7 72. In October 2017, Account 2 wired approximately \$297,795 to
8 Account 4. On November 13, 2018, \$6,725.54 from Account 4 was used
9 to support or maintain the Sedona Property.

10 **M. Paradise Valley Property 1**

11 73. Paradise Valley Property 1 was purchased and maintained, in
12 whole or in part, using funds traceable to SUA, involved in money
13 laundering, or both.

14 74. Approximately \$11,480,000 million in illicit funds from
15 Backpage's U.S. Bank account '1165 passed-through various Backpage or
16 Backpage Operators accounts, eventually (between March 15 and
17 September 18, 2014) ending up in BMO Harris account '5263, owned or
18 controlled by Lacy. Thereafter, on March 30, 2015, BMO Harris Bank
19 account '5263 transferred \$774,379.46 towards the purchase of the
20 Paradise Valley Property 1.

21 **N. Paradise Valley Property 2**

22 75. Paradise Valley Property 2 was purchased and maintained, in
23 whole or in part, using funds traceable to SUA, involved in money
24 laundering, or both

25 76. In 2005, for approximately \$1,500,000, Lacey purchased the
26 Paradise Valley Property 2. In 2010, the Paradise Valley Property
27 was used as collateral for a \$1 million loan (the "2010 Loan").
28 Beginning no later than January 2012, illicit proceeds were used to

1 service the debt on the 2010 Loan. Specifically:

2 a. Between February 4 and June 6, 2013, through a series of
3 wire transfers, Backpage's U.S. Bank account '1165 transferred
4 approximately \$41,500,000 to BMO Harris Bank account '5263.

5 b. Between March 2013, and January 2016, through a series of
6 periodic transactions, approximately \$174,749.39 from BMO Harris Bank
7 account '5263 was used to service the debt on the 2010 Loan.

8 **JAMES LARKIN ASSETS**

9 **O. Accounts 13, 15, 16, 17, AND 18 (RBA '1889, '2592, '1938,
10 '1897, '8103, '8162, AND '8189)**

11 77. Account 13, held in the name of Larkin, was funded with
12 proceeds alleged to have been traceable to SUA, involved in money
13 laundering, or both.

14 a. On July 6, 2017, Account 2 transferred \$971,651.51 into
15 Account 13.

16 b. On July 28, 2017, Account 13 transferred \$400,000 into
17 Account 14.

18 78. Account 15 is held in the name of Larkin.

19 a. From March 2015 through November 2017, the Netherlands
20 Account received several millions of dollars in criminal proceeds
21 from Binary Trading.

22 b. On December 2, 2016, the Netherlands Account transferred
23 \$324,055.85 to Account 2.

24 c. On December 8, 2016, the Netherlands Account transferred
25 \$499,970.00 to Account 2.

26 d. On December 27, 2016, the Netherlands Account transferred
27 \$199,970.00 to Account 2, which account then transferred funds
28 through Account '9863 and into Account 3.

1 e. On December 13, 2017, Account 3 transferred \$406,211.10 to
2 Account 15.

3 79. Account 16, 17, and 18 are CDARS Accounts held in the name
4 of Larkin.

5 a. On July 28, 2017, Account 13 transferred \$400,000 into
6 Account 14.

7 b. On or about February 8, 2018, \$1 million in funds from
8 Account 14 was used to fund Account 16 (which received \$500,000),
9 Account 17 (which received \$250,000), and Account 18 (which received
10 \$250,000).

11 **P. Accounts 19 AND 20 (PCTC ACCOUNT '0012 FUNDS, PERKINS COIE**
12 **'0012)**

13 80. Account 19 is held in the name of Larkin's spouse, Margaret
14 Larkin, and was funded with proceeds traceable to SUA, involved in
15 money laundering, or both.

16 a. On December 31, 2015, Website Tech Account '2008
17 transferred \$811,424 to the Slovakia Account.

18 b. On January 11, 2016, the Slovakia Account transferred
19 approximately \$1,300,000 to Charles Schwab account '4693, held in the
20 name of Larkin ("Charles Schwab Account '4693").

21 c. On January 14, 2016, Charles Schwab Account '4693
22 transferred approximately \$13,500,000 to Northern Trust Company
23 account '9562 (under the name "Ocotillo Family Trust," owned and
24 controlled by Larkin and Margaret Larkin).

25 d. In July 21, 2017, Account '9562 transferred \$6,014,000 to
26 Morgan Stanley account '1673 (held in the name of Larkin and Margaret
27 Larkin).

28 e. In or about November 2017, Morgan Stanley elected to

1 terminate its business relationship with Larkin.

2 f. On November 30, 2017, all the funds then held in Morgan
3 Stanley account '1673 (about \$10,000,000) were transferred to Account
4 19.

5 g. Some of the funds in Account 19 were used to purchase bonds
6 and/or securities, which were held in Account 20.

7 **Q. Account 21 (ACF '2020)**

8 81. Account 21 contains securities and investment vehicles held
9 in the name of Ocotillo Family Trust, which is owned and controlled
10 by Larkin and his spouse, and was funded with proceeds traceable to
11 SUA, involved in money laundering, or both.

12 a. During the period of March 23 through March 31, 2016,
13 Website Tech Account '2008 sent three wire transfers totaling
14 \$3,694,813.60 to Arizona Bank & Trust account number '6211, belonging
15 to Cereus Properties ("Account '6211").

16 b. During the period of April 1, 2016, through July 1, 2016,
17 Account '6211 sent five wire transfers totaling \$5,750,294 to Charles
18 Schwab Account '4693.

19 c. On July 1, 2016, Charles Schwab Account '4693 transferred
20 \$15,000,000 to Account 21.

21 d. During the period of August 2, 2016, through October 6,
22 2016, Account '6211 sent six wire transfers totaling \$9,550,315 to
23 Charles Schwab Account '4693.

24 e. On January 3, 2017, Charles Schwab Account '4693
25 transferred \$2,500,000 to Account 21.

26 f. On January 4, 2017, Charles Schwab Account '4693
27 transferred \$2,500,000 Account 21.

1 **R. Accounts 22 AND 23 (BA '8225 and '7054)**

2 82. Account 22 is held in the name of one of T. Larkin, and was
3 used in furtherance of the money laundering scheme described herein,
4 and in an attempt to further conceal or disguise the nature,
5 location, source, ownership or control of the criminal proceeds.

6 83. On February 2, 2018, Account 2 wire transferred \$28,337
7 into Account 22.

8 84. Account 23 is held in the name of R. Larkin. On February
9 2, 2018, Account 2 wire transferred \$28,337 into Account 23.

10 **S. Saint Helena Property**

11 85. The Saint Helena Property was purchased and maintained, in
12 whole or in part, using funds traceable to SUA, involved in money
13 laundering, or both.

14 86. Between February 4 and June 6, 2013, approximately
15 \$41,500,000 in illicit funds were transferred to Camarillo Holdings
16 LLC, BMO Harris Bank account '7172. On October 2, 2013, BMO Harris
17 Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank
18 account '3110. Thereafter, on November 3, 2016, over \$10,000 of
19 funds from BMO Harris Bank account '7172 were used to purchase or
20 maintain the Saint Helena Property.

21 **T. Chicago Property**

22 87. The Chicago Property was purchased and maintained, in whole
23 or in part, using funds traceable to SUA, involved in money
24 laundering, or both.

25 88. Illicit funds originating from Backpage's U.S. Bank account
26 '1165 were passed-through accounts owned or controlled by Backpage or
27 Backpage Operators, and ended up in BMO Harris Bank account '3110.
28 Thereafter, on October 2, 2015, BMO Harris Bank account '3110

1 transferred \$138,000 to Chicago Title and Trust Company as payment
2 towards the purchase of the Chicago Property.

3 **U. Paradise Valley Property 7**

4 89. Paradise Valley Property 7 was purchased and maintained, in
5 whole or in part, using funds traceable to SUA, involved in money
6 laundering, or both

7 90. Illicit funds originating from Backpage's U.S. Bank account
8 '1165 were passed-through accounts owned or controlled by Backpage or
9 Backpage Operators, and ended up in BMO Harris Bank account '3110,
10 from which account over \$10,000 was paid to maintain Paradise Valley
11 Property 7.

12 **JOHN BRUNST ASSETS**

13 **V. Account 24 (COMPASS BANK '3825)**

14 91. Account 24 is held in the name of Brunst, and was used in
15 furtherance of the money laundering scheme described herein, and in
16 an attempt to further conceal or disguise the nature, location,
17 source, ownership or control of the proceeds of SUA.

18 92. On February 2, 2018, Account 2 wire transferred \$135,956.59
19 into Account 24.

20 **W. Account 25, 26, 27, 28, 29, 30 (AB '6878, '4954, '7982,
21 '7889, '7888 AND '6485)**

22 93. Accounts 25, 26, 27, 28, 29, and 30 are held in the name of
23 the "Brunst Family Trust." Brunst and his wife are the sole trustees
24 for these accounts, which were funded with proceeds traceable to SUA,
25 involved in money laundering, or both.

26 a. On December 31, 2015, Website Tech Account '2008
27 transferred \$811,424 to Account '6211.

28 b. On December 6, 2016, Account '6211 transferred \$161,459 to

1 Wells Fargo Bank account '4891, belonging to Brunst ("Account
2 '4891").

3 c. On January 4, 2017, Account '6211 transferred another
4 \$258,841 to Account '4891.

5 d. On January 5, 2017, Account '4891 transferred \$300,000 to
6 Wells Fargo Bank account '7474, belonging to the Brunst Family Trust
7 ("Account '7474").

8 e. On May 19, 2017, Account '7474 transferred approximately
9 \$1,500,000 into Account 25.

10 f. On May 23, 2017, Account 25 transferred approximately
11 \$350,000 to Account 25.

12 g. On June 7, 2017, Account 25 transferred approximately
13 \$1,340,000 to Account 25.

14 h. On September 13, 2017, Account 25 transferred approximately
15 \$581,000 to Account 27.

16 i. On September 13, 2017, Account 25 transferred approximately
17 \$250,000 to Account 28.

18 j. On September 13, 2017, Account 25 transferred approximately
19 \$250,000 to Account 29.

20 k. On September 15, 2017, Account 25 transferred approximately
21 \$500,000 to Account 30.

22
23 **SCOTT SPEAR ASSETS**

24 **X. Accounts 31, 32, AND 33 (NBA '0178, '0151, and '3645)**

25 94. Accounts 31 and 32 are held in the name of Spear, which
26 accounts were funded with proceeds traceable to SUA, involved in
27 money laundering, or both. Account 33 is held in trust for the
28 benefit of Spear and certain of his family members, which account was

1 funded with proceeds traceable to SUA, involved in money laundering,
2 or both. In furtherance of the money laundering scheme, and in an
3 attempt to further conceal the true nature of the criminal proceeds,
4 go-between accounts served to funnel money from one account to
5 another.

6 a. Between January 21 and August 31, 2016, Website Tech
7 Account `2008 sent approximately 27 wire transfers totaling
8 approximately \$48,000,000 to Account `6211.

9 b. Between March 1, 2016, and July 1, 2016, Account `6211
10 transferred \$892,426 into Account 31.

11 c. On September 14, 2017, Account 2 wire transferred
12 \$50,162.05 into Account 31.

13 d. On October 12, 2017, Account 31 transferred approximately
14 \$21,500 into Account 32.

15 e. On January 5, 2018, Account 31 transferred approximately
16 \$600,000 into Account 33.

17 **Y. Account 34 (Live Oak Bank Account `6910)**

18 95. Account 34 is held in the name of Spear, and was funded
19 with proceeds traceable to SUA, involved in money laundering, or
20 both.

21 96. On or about March 16, 2016, as an opening deposit, Account
22 31 transferred \$250,000 into Account 34.

23 **Z. Account 35 and 36 (Ascensus Broker Services `4301 and `8001)**

24 97. Accounts 35 and 36 are held in the name of N. Spear,
25 Spear's adult daughter, and were funded with proceeds traceable to
26 SUA, involved in money laundering, or both.

27 a. On February 23, 2017, Account 31 transferred approximately
28 \$50,000 into Account 35.

b. On the February 23, 2017, Account 31 transferred \$50,000 into Account 36.

PRIMUS TRUST ASSETS

AA. Account 37 (K&H Bank Account '1210)

98. Account 37 is located in Hungary, and held in the name of Primus Trust Company ("Binghampton Trust") for the benefit of Lacey. In furtherance of the money laundering scheme, Account 37 was funded with proceeds traceable to SUA, involved in money laundering, or both.

99. The tracing of this account involves numerous banks and bank accounts, both foreign and domestic. The accounts include: Website Tech Account '2008; Account '6211; Arizona Bank & Trust annuity trust account numbers '1967, '1972, '1986, '1991, and '2014, all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson Financial account '9992, held in an IOLTA, with Lacey as the sole beneficiary.

a. Between December 14, 2015, and January 15, 2016, the Slovakia Account sent approximately 26 wire transfers totaling over \$2,500,000 to Website Tech Account '2008 in the United States.

b. On January 15, 2016, Website Tech Account '2008 transferred \$189,571 to Verizon in Los Angeles, California, in payment for Backpage internet services, which served, in whole or in part, to promote sex trafficking and illegal prostitution.

c. Between January 21 and August 31, 2016, Website Tech Account '2008 sent approximately 27 wire transfers totaling approximately \$48,000,000 to Account '6211.

d. Between April 1 and October 6, 2016, in approximately 12 wires, Account '6211 sent over \$18,000,000 to the AZBT Annuity Trust

1 Accounts.

2 e. On December 29, 2016, in five wires, the AZBT Annuity
3 Trusts Accounts sent approximately \$16,500,000 to Johnson Financial
4 account '9992.

5 f. On January 3, 2017, Johnson Financial account '9992
6 transferred \$16,500,000 to Account 37.

7 **AD TECH BV ASSETS**

8 **BB. Accounts 56, 57, and 58 (Fio Bank '5803, '5801, and '5805)**

9 100. Accounts 56, 57, and 58 are located in the Czech Republic
10 and held in the name of Ad Tech BV, identifying Ferrer as the
11 ultimate beneficial owner, which accounts were funded with proceeds
12 traceable to SUA, involved in money laundering, or both.

13 101. Account 56, 57, and 58 were set up and maintained to
14 receive payments for Backpage ads, that is, for "accounts
15 receivable." Merchant processors would accept credit card payments
16 and Bitcoins from Backpage advertisers as credit to place ads for
17 prostitution and other services. The merchant processors would then
18 transfer these funds to accounts set up to receive such payments,
19 specifically including Accounts 56, 57, and 58. All funds contained
20 within Accounts 56, 57, and 58 are traceable to SUA and involved in
21 money laundering.

22 **CC. Accounts 47, 48, 49 and 50 (BF Accounts 'K000 K, 'K000 U,
23 'K000 E, and 'K001 K)**

24 102. Accounts 47, 48, 49, and 50 are located in Principality of
25 Liechtenstein, and held for the benefit of Ferrer, which accounts
26 were funded with proceeds traceable to SUA, involved in money
27 laundering, or both.

28 103. Accounts 47, 48, 49, and 50 were set up and maintained to

1 receive payments for Backpage ads, that is, for "accounts
2 receivable." Merchant processors would accept credit card payments
3 and Bitcoins from Backpage advertisers as credit to place ads for
4 prostitution and other services. The merchant processors would then
5 transfer these funds to accounts set up to receive such payments,
6 specifically including Accounts 47, 48, 49, and 50. All funds
7 contained within Accounts 47, 48, 49, and 50 are traceable to SUA and
8 involved in money laundering.

9 **GOLD LEAF SRO FUNDS HELD AT FIO BANK**

10 **DD. Account 38, 39, and 30 (Fio Bank '2226, '2231, and '2230)**

11 104. Accounts 38, 39, and 40 are located in the Czech Republic,
12 and held for the benefit of Backpage by a third party entity named,
13 "Gold Leaf SRO." Accounts 38, 39, and 40 were funded with proceeds
14 traceable to SUA, involved in money laundering, or both.

15 105. Accounts 38, 39, and 40 were created outside the United
16 States with the intention of avoiding the "blockade" of Backpage set
17 up by U.S. credit card companies that refused to process Backpage
18 receipts following negative press associated with Backpage.

19 Approximately 99.5% of the payments into these accounts were to be
20 transferred to accounts held by Ad Tech BV, a Backpage controlled
21 company located in the Netherlands, after which transfer, the funds
22 could be directed for the benefit of Backpage or Backpage Operators
23 in the U.S. or abroad. All funds contained within Accounts 38, 39,
24 and 40 are traceable to SUA and involved in money laundering.

25
26 **PROTECCTIO SRO FUNDS HELD AT FIO BANK**

27 **EE. Accounts 41, 42, and 43 (Fio Bank '4194, '4196, and '4198)**

28 106. Accounts 41, 42, and 43 are located in the Czech Republic,

1 and held for the benefit of Backpage by a third party entity named,
2 "Protecctio SRO." Accounts 41, 42, and 43 were funded with proceeds
3 traceable to SUA, involved in money laundering, or both.

4 107. Accounts 41, 42, and 43 were created outside the United
5 States with the intention of avoiding the "blockade" of Backpage set
6 up by U.S. credit card companies that refused to process Backpage
7 receipts following negative press associated with Backpage.

8 Approximately 99.5% of the payments into these accounts were to be
9 transferred to accounts held by Ad Tech BV, a Backpage controlled
10 company located in the Netherlands, after which transfer the funds
11 could be directed for the benefit of Backpage or Backpage Operators
12 in the U.S. or abroad. All funds contained within Accounts 41, 42,
13 and 43 are traceable to SUA and involved in money laundering.

14 **VARICOK SRO FUNDS HELD AT FIO BANK**

15 **FF. Accounts 44, 45, and 46 (Fio Bank '8083, '8086, and '8080)**

16 108. Accounts 44, 45, and 46 are located in the Czech Republic,
17 and held in the name of Varicok Company SRO. Accounts 44, 45, and 46
18 were funded with proceeds traceable to SUA, involved in money
19 laundering, or both.

20 109. Accounts 44, 45, and 46 were created outside the United
21 States with the intention of avoiding the "blockade" of Backpage set
22 up by U.S. credit card companies that refused to process Backpage
23 receipts following negative press associated with Backpage.

24 Approximately 99.5% of the payments into these accounts were to be
25 transferred to accounts held by Ad Tech BV, a Backpage controlled
26 company located in the Netherlands, after which transfer, the funds
27 could be directed for the benefit of Backpage or Backpage Operators
28 in the U.S. or abroad. All funds contained within Accounts 44, 45,

1 and 46 are traceable to SUA and involved in money laundering.

2 **PROCOP SERVICES BV FUNDS HELD AT KNAB BANK**

3 **GG. Account 51 (KB `7664)**

4 110. Account 51 is located in the Kingdom of the Netherlands,
5 and held for the benefit of Backpage by a third party entity named,
6 "Procop Services BV." Account 51 was funded with proceeds traceable
7 to SUA, involved in money laundering, or both.

8 111. Account 51 was created outside the United States with the
9 intention of avoiding the "blockade" of Backpage set up by U.S.
10 credit card companies that refused to process Backpage receipts
11 following negative press associated with Backpage. Approximately
12 99.5% of the payments into Accounts 51 was to be transferred to
13 accounts held by Ad Tech BV, a Backpage controlled company located in
14 the Netherlands, after which transfer, the funds could be directed
15 for the benefit of Backpage or Backpage Operators in the U.S. or
16 abroad. All funds contained within Account 51 are traceable to SUA
17 and involved in money laundering.

18 **GULIETTA GROUP BV FUNDS HELD AT RABO BANK**

19 **HH. Accounts 52 and 53 (RB `2452 and `4721)**

20 112. Accounts 52 and 53 are located in the Kingdom of the
21 Netherlands and held for the benefit of Backpage by a third party
22 entity named, "Gulietta Group BV." Accounts 52 and 53 were funded
23 with proceeds traceable to SUA, involved in money laundering, or
24 both.

25 113. Accounts 52 and 53 were created outside the United States
26 with the intention of avoiding the "blockade" of Backpage set up by
27 U.S. credit card companies that refused to process Backpage receipts
28 following negative press associated with Backpage. Approximately

1 99.5% of the payments into these accounts were to be transferred to
2 accounts held by Ad Tech BV, a Backpage controlled company located in
3 the Netherlands, after which transfer, the funds could be directed
4 for the benefit of Backpage or Backpage Operators in the U.S. or
5 abroad. All funds contained within Accounts 52 and 53 are traceable
6 to SUA and involved in money laundering.

7 **CASHFLOWS EUROPE LTD FUNDS HELD FOR GULIETTA GROUP B.V., UNIVERSADS**

8 **B.V., PROCOPSERVICES B.V. and PROTECCIO SRO**

9 **II. Account 55 (SP '1262)**

10 114. Account 55 is located in the United Kingdom and held by a
11 third party entity, "Cashflows Europe Limited" ("Cashflows").
12 Although Backpage is the ultimate beneficiary of Account 55,
13 Cashflows acts first as an entity holding this account for the
14 benefit of Gulietta Group B.V., Universads B.V., Procop Services
15 B.V., and Proteccio SRO (collectively referred to as, the
16 "Entities"), each of which company is owned or controlled by
17 Backpage. Account 55 was funded with proceeds traceable to SUA,
18 involved in money laundering, or both.

19 115. Account 55 was created outside the United States with the
20 intention of avoiding the "blockade" of Backpage set up by U.S.
21 credit card companies that refused to process Backpage receipts
22 following negative press associated with Backpage. Approximately
23 99.5% of the payments into Accounts 55 was to be transferred to
24 accounts held by Ad Tech BV, a Backpage controlled company located in
25 the Netherlands, after which transfer, the funds could be directed
26 for the benefit of Backpage or Backpage Operators in the U.S. or
27 abroad. All funds contained within Account 55 are traceable to SUA
28 and involved in money laundering.

1 **JJ. Account 54 (LHVP '4431)**

2 116. Account 54 is an account maintained in the Republic of
3 Estonia, held in the name of Olist OU for the benefit of Backpage.
4 Account 54 was funded with proceeds traceable to SUA, involved in
5 money laundering, or both.

6 117. Account 54 was created outside the United States with the
7 intention of avoiding the "blockade" of Backpage set up by U.S.
8 credit card companies that refused to process Backpage receipts
9 following negative press associated with Backpage. Approximately
10 99.5% of the payments into Accounts 54 was to be transferred to
11 accounts held by Ad Tech BV, a Backpage controlled company located in
12 the Netherlands, after which transfer, the funds could be directed
13 for the benefit of Backpage or Backpage Operators in the U.S. or
14 abroad. All funds contained within Account 54 are traceable to SUA
15 and involved in money laundering.

16 **BACKPAGE-CONTROLLED DOMAIN NAMES**

17 **KK. ASCIO/WMB Inc Domain Names**

18 118. Until recently, Backpage controlled numerous domain names,
19 which have since been seized by the government pursuant to a seizure
20 warrant issued in this district.¹¹

21 119. The Seized Domains are registered by "ASCIO TECHNOLOGIES
22 INC" DBA "NETNAMES," a domain registrar that manages the reservation
23 of internet domain names. A domain registrar serves to ensure that a
24 registered domain name, like each of the Seized Domains, is not
25 double sold.

26 120. Additionally, a domain registration will allow the owner of
27 the domain to direct internet traffic to a company's webserver. The
28

¹¹ 18-MJ-00711

1 Seized Domains were found to have been acquired and maintained with
2 funds traceable to the money laundering scheme described herein,
3 specifically with funds from Account 1, and the Seized Domains were
4 the mechanism Backpage used to promote the prostitution and sex
5 trafficking activity.

6 121. The following domains constitute and are derived from
7 proceeds traceable to SUA, involved in money laundering, or both:

8 a. atlantabackpage.com

9 b. backpage.be

10 c. backpage.com

11 d. backpage.com.br

12 e. backpage.cz

13 f. backpage.dk

14 g. backpage.ee

15 h. backpage.es

16 i. backpage.fi

17 j. backpage.fr

18 k. backpage.gr

19 l. backpage.hu

20 m. backpage.ie

21 n. backpage.it

22 o. backpage.lt

23 p. backpage.mx

24 q. backpage.net

25 r. backpage.no

26 s. backpage.pl

27 t. backpage.pt

1 u. backpage.ro
2 v. backpage.si
3 w. backpage.sk
4 x. backpage.us
5 y. backpage-insider.com
6 z. bestofbackpage.com
7 aa. bestofbigcity.com
8 bb. bigcity.com
9 cc. chicagobackpage.com
10 dd. denverbackpage.com
11 ee. newyorkbackpage.com
12 ff. phoenixbackpage.com
13 gg. sandiegobackpage.com
14 hh. seattlebackpage.com
15 ii. tampabackpage.com

16 **LL. SURRENDERED DOMAIN NAMES**

17
18 122. Until recently, Backpage also controlled numerous domain
19 names that Backpage has since surrendered (pursuant to its guilty
20 plea on April 5, 2018, in the District of Arizona).

21 123. The following websites were purchased and/or maintained, in
22 whole or in part, with proceeds traceable to SUA, involved in money
23 laundering, or both:

24 a. admoderation.com (Versio)
25 b. admoderators.com (Versio)
26 c. adnet.ws (NetNames)
27 d. adplace24.com (Versio)
28 e. adplaces24.com (Versio)

1 f. adpost24.com (Versio)
2 g. adpost24.cz (GoDaddy)
3 h. adquick365.com (Versio)
4 i. adreputation.com (NetNames)
5 j. ads-posted-mp.com (Versio)
6 k. adsplace24.com (Versio)
7 l. adspot24.com (Versio)
8 m. adspots24.com (Versio)
9 n. adsspot24.com (Versio)
10 o. adtechbv.co.nl (NetNames)
11 p. adtechbv.com (NetNames)
12 q. adtechbv.nl (NetNames)
13 r. advert-ep.com (Versio)
14 s. adverts-mp.com (Versio)
15 t. axme.com (GoDaddy)
16 u. back0age.com (NetNames)
17 v. backpa.ge (NetNames)
18 w. backpagee.com (NetNames)
19 x. backpage-insider.com (NetNames)
20 y. backpage.adult (NetNames)
21 z. backpage.ae (NetNames)
22 aa. backpage.at (NetNames)
23 bb. backpage.ax (NetNames)
24 cc. backpage.be (NetNames)
25 dd. backpage.bg (European domains)
26 ee. backpage.bg (NetNames)
27 ff. backpage.ca (NetNames)
28

1 gg. backpage.cl (NetNames)
2 hh. backpage.cn (European domains)
3 ii. backpage.cn (NetNames)
4 jj. backpage.co.id (NetNames)
5 kk. backpage.co.nl (European domains)
6 ll. backpage.co.nl (NetNames)
7 mm. backpage.co.nz (NetNames)
8 nn. backpage.co.uk (NetNames)
9 oo. backpage.co.ve (NetNames)
10 pp. backpage.co.za (NetNames)
11 qq. backpage.com (NetNames)
12 rr. backpage.com.ar (NetNames)
13 ss. backpage.com.au (NetNames)
14 tt. backpage.com.ph (NetNames)
15 uu. backpage.cz (NetNames)
16 vv. backpage.dk (NetNames)
17 ww. backpage.ec (NetNames)
18 xx. backpage.ee (European domains)
19 yy. backpage.ee (NetNames)
20 zz. backpage.es (NetNames)
21 aaa. backpage.fi (European domains)
22 bbb. backpage.fi (NetNames)
23 ccc. backpage.fr (European domains)
24 ddd. backpage.fr (NetNames)
25 eee. backpage.gr (European domains)
26 fff. backpage.gr (NetNames)
27 ggg. backpage.hk (European domains)

1 hhh. backpage.hk (NetNames)
2 iii. backpage.hu (European domains)
3 jjj. backpage.hu (NetNames)
4 kkk. backpage.ie (NetNames)
5 lll. backpage.in (NetNames)
6 mmm. backpage.it (NetNames)
7 nnn. backpage.jp (NetNames)
8 ooo. backpage.kr (NetNames)
9 ppp. backpage.lt (NetNames)
10 qq. backpage.lv (European domains)
11 rrr. backpage.lv (NetNames)
12 sss. backpage.me (NetNames)
13 ttt. backpage.mx (NetNames)
14 uuu. backpage.my (NetNames)
15 vvv. backpage.net (NetNames)
16 www. backpage.nl (NetNames)
17 xxx. backpage.no (European domains)
18 yyy. backpage.no (NetNames)
19 zzz. backpage.nz (NetNames)
20
21 aaaa. backpage.pe (NetNames)
22 bbbb. backpage.ph (NetNames)
23 cccc. backpage.pk (NetNames)
24 dddd. backpage.pl (NetNames)
25 eeee. backpage.porn (NetNames)
26 ffff. backpage.pt (NetNames)
27 gggg. backpage.ro (European domains)
28 hhhh. backpage.ro (NetNames)

1	iiii.	backpage.se (NetNames)
2	jjjj.	backpage.sex (NetNames)
3	kkkk.	backpage.sg (NetNames)
4	llll.	backpage.si (European domains)
5	mmmm.	backpage.si (NetNames)
6	nnnn.	backpage.sk (European domains)
7	oooo.	backpage.sk (NetNames)
8	pppp.	backpage.sucks (NetNames)
9	qqqq.	backpage.tw (NetNames)
10	rrrr.	backpage.uk (NetNames)
11	ssss.	backpage.uk.com (NetNames)
12	tttt.	backpage.us (NetNames)
13	uuuu.	backpage.vn (NetNames)
14	vvvv.	backpage.xxx (NetNames)
15	wwww.	backpage.xyz (NetNames)
16	xxxx.	backpagecompimp.com (NetNames)
17	yyyy.	backpagecompimps.com (NetNames)
18	zzzz.	backpagepimp.com (NetNames)
19	aaaaa.	backpagepimps.com (NetNames)
20	bbbbb.	backpagg.com (NetNames)
21	ccccc.	backpagm.com (NetNames)
22	ddddd.	backpagu.com (NetNames)
23	eeeee.	backpaoe.com (NetNames)
24	ffffff.	backpawe.com (NetNames)
25	ggggg.	backqage.com (NetNames)
26	hhhhh.	backrage.com (NetNames)
27	iiii.	backxage.com (NetNames)
28		

1	jjjjj.	bakpage.com (NetNames)
2	kkkkk.	bcklistings.com (NetNames)
3	lllll.	bestofbakpage.com (NetNames)
4	mmmmm.	bestofbigcity.com (NetNames)
5	nnnnn.	bickpage.com (NetNames)
6	ooooo.	bigcity.com (NetNames)
7	ppppp.	bpclassified.com (NetNames)
8	qqqqq.	bpclassifieds.com (NetNames)
9	rrrrr.	carlferrer.com (NetNames)
10	sssss.	clasificadosymas.com (NetNames)
11	ttttt.	clasificadosymas.net (NetNames)
12	uuuuu.	clasificadosymas.org (NetNames)
13	vvvvv.	classifiedsolutions.co.uk (NetNames)
14	wwwww.	classifiedsolutions.net (NetNames)
15	xxxxx.	classyadultads.com (Versio)
16	yyyyy.	columbusbakpage.com (NetNames)
17	zzzzz.	connecticutbakpage.com (NetNames)
18	aaaaa.	cracker.co.id (NetNames)
19	bbbbb.	cracker.com (NetNames)
20	ccccc.	cracker.com.au (NetNames)
21	ddddd.	cracker.id (NetNames)
22	eeeeee.	cracker.net.au (NetNames)
23	ffffff.	crackers.com.au (NetNames)
24	ggggg.	crackers.net.au (NetNames)
25	hhhhh.	ctbakpage.com (NetNames)
26	iiiii.	dallasbakpage.com (NetNames)
27	jjjjj.	denverbakpage.com (NetNames)
28		

1 kkkkkk. easypost123.com (Versio)
2 lllllll. easyposts123.com (Versio)
3 mmmmmm. emais.com.pt (NetNames)
4 nnnnnn. evilempire.com (NetNames)
5 oooooo. ezpost123.com (Versio)
6 pppppp. fackpage.com (NetNames)
7 qqqqqq. fastadboard.com (Versio)
8 rrrrrr. guliettagroup.nl (Versio)
9 ssssss. http.org (NetNames)
10 tttttt. ichold.com (NetNames)
11 uuuuuu. internetspeechfoundation.com (nameisp)
12 vvvvvv. internetspeechfoundation.org (nameisp)
13 wwwwww. loads2drive.com (NetNames)
14 xxxxxx. loadstodrive.com (NetNames)
15 yyyyyy. loadtodrive.com (NetNames)
16 zzzzzz. losangelesbackpage.com (NetNames)
17 aaaaaa. mediafilecloud.com (NetNames)
18 bbbbbb. miamibackpage.com (NetNames)
19 cccccc. minneapolisbackpage.com (NetNames)
20 ddddddd. mobileposting.com (Versio)
21 eeeeeee. mobilepostings.com (Versio)
22 ffffffff. mobilepostlist.com (Versio)
23 ggggggg. mobilposting.com (Versio)
24 hhhhhh. naked.city (NetNames)
25 iiiiii. nakedcity.com (NetNames)
26 jjjjjj. newyorkbackpage.com (NetNames)
27 kkkkkkk. paidbyhour.com (NetNames)
28

1 1111111. petseekr.com (NetNames)
2 mmmmmmm. petsfindr.com (NetNames)
3 nnnnnnn. phoenixbackpage.com (NetNames)
4 ooooooo. posteasyl23.com (Versio)
5 ppppppp. postfaster.com (NetNames)
6 qqqqqqq. postfastly.com (NetNames)
7 rrrrrrr. postfastr.com (NetNames)
8 sssssss. postonlinewith.com (Versio)
9 ttttttt. postonlinewith.me (Versio)
10 uuuuuuu. postseasyl23.com (Versio)
11 vvvvvvv. postsol.com (GoDaddy)
12 wwwwww. postszone24.com (Versio)
13 xxxxxxx. postzone24.com (Versio)
14 yyyyyyy. postzones24.com (Versio)
15 zzzzzzz. rentseekr.com (NetNames)
16 aaaaaaaa. results911.com (NetNames)
17 bbbbbbbb. sandiegobackpage.com (NetNames)
18 cccccccc. sanfranciscobackpage.com (NetNames)
19 dddddddd. seattlebackpage.com (NetNames)
20 eeeeeeee. sellyostuffonline.com (Versio)
21 ffffffff. sfbackpage.com (NetNames)
22 gggggggg. simplepost24.com (Versio)
23 hhhhhhhh. simpleposts24.com (Versio)
24 iiiiiiii. svc.ws (NetNames)
25 jjjjjjjj. truckrjobs.com (NetNames)
26 kkkkkkkk. ugctechgroup.com (NetNames)
27 llllllll. universads.nl (Versio)
28

1 mmmmmmmmm. villagevoicepimps.com (GoDaddy)
2 nnnnnnnnn. websitetechnologies.co.uk (NetNames)
3 ooooooooo. websitetechnologies.com (NetNames)
4 ppppppppp. websitetechnologies.net (NetNames)
5 qqqqqqqqq. websitetechnologies.nl (NetNames)
6 rrrrrrrrr. websitetechnologies.org (NetNames)
7 sssssssss. weprocessmoney.com (GoDaddy)
8 ttttttttt. wst.ws (NetNames)
9 uuuuuuuuu. xn--yms-fla.com (NetNames)
10 vvvvvvvvv. ymas.ar.com (European domains)
11 wwwwwwwww. ymas.br.com (European domains)
12 xxxxxxxxx. ymas.br.com (NetNames)
13 yyyyyyyyy. ymas.bz (European domains)
14 zzzzzzzzz. ymas.bz (NetNames)
15
16 aaaaaaaaa. ymas.cl (European domains)
17 bbbbbbbbbb. ymas.cl (NetNames)
18 ccccccccc. ymas.co.bz (European domains)
19 ddddddddd. ymas.co.bz (NetNames)
20 eeeeeeeee. ymas.co.cr (European domains)
21 ffffffffff. ymas.co.cr (NetNames)
22 gggggggggg. ymas.co.ni (European domains)
23 hhhhhhhhhh. ymas.co.ni (NetNames)
24 iiiiiiiiii. ymas.co.ve (European domains)
25 jjjjjjjjjj. ymas.co.ve (NetNames)
26 kkkkkkkkkk. ymas.com (NetNames)
27 llllllllll. ymas.com.br (European domains)
28 mmmmmmmmm. ymas.com.br (NetNames)

1	nnnnnnnnnn.	ymas.com.bz (European domains)
2	oooooooooo.	ymas.com.bz (NetNames)
3	pppppppppp.	ymas.com.co (European domains)
4	qqqqqqqqqq.	ymas.com.co (NetNames)
5	rrrrrrrrrr.	ymas.com.do (European domains)
6	ssssssssss.	ymas.com.do (NetNames)
7	tttttttttt.	ymas.com.ec (European domains)
8	uuuuuuuuuu.	ymas.com.ec (NetNames)
9	vvvvvvvvvv.	ymas.com.es (European domains)
10	wwwwwwwww.	ymas.com.es (NetNames)
11	xxxxxxxxxx.	ymas.com.gt (European domains)
12	yyyyyyyyyy.	ymas.com.gt (NetNames)
13	zzzzzzzzzz.	ymas.com.hn (European domains)
14	aaaaaaaaaa.	ymas.com.hn (NetNames)
15	bbbbbbbbbbb.	ymas.com.mx (NetNames)
16	ccccccccccc.	ymas.com.ni (European domains)
17	ddddddddddd.	ymas.com.ni (NetNames)
18	eeeeeeeeeee.	ymas.com.pe (European domains)
19	ffffffffffff.	ymas.com.pe (NetNames)
20	ggggggggggg.	ymas.com.pr (European domains)
21	hhhhhhhhhhh.	ymas.com.pr (NetNames)
22	iiiiiiiiiii.	ymas.com.pt (NetNames)
23	jjjjjjjjjjj.	ymas.com.uy (European domains)
24	kkkkkkkkkkk.	ymas.com.uy (NetNames)
25	lllllllllll.	ymas.com.ve (European domains)
26	mmmmmmmmmmm.	ymas.com.ve (NetNames)
27	nnnnnnnnnnn.	ymas.cr (European domains)

1 oooooooo. ymas.cr (NetNames)
 2 ppppppppppp. ymas.do (European domains)
 3 qqqqqqqqqqq. ymas.do (NetNames)
 4 rrrrrrrrrrr. ymas.ec (European domains)
 5 sssssssssss. ymas.ec (NetNames)
 6 ttttttttttt. ymas.es (European domains)
 7 uuuuuuuuuuu. ymas.es (NetNames)
 8 vvvvvvvvvvv. ymas.org (NetNames)
 9 wwwwwwwww. ymas.pe (European domains)
 10 xxxxxxxxxxx. ymas.pe (NetNames)
 11 yyyyyyyyyyy. ymas.pt (NetNames)
 12 zzzzzzzzzzz. ymas.us (European domains)
 13 aaaaaaaaaaa. ymas.us (NetNames)
 14 bbbbbbbbbbb. ymas.uy (European domains)
 15 ccccccccccc. ymas.uy (NetNames)
 16 ddddddddddd. ymas.uy.com (European domains)

BACKPAGE SURRENDERED ASSETS

MM. Assets Surrendered To The United States By Backpage

124. On or about May 8, 2018, all of the funds, digital
 currencies, and other property listed in this subsection were
 transferred into the United States Postal Inspection Service holding
 bank account, Bitcoins wallet, Bitcoins Cash wallet, Litecoin wallet,
 and Bitcoins Gold wallet. These Surrendered Assets constitute and
 are derived from proceeds traceable to SUA, involved in money
 laundering, or both.

125. On May 8, 2018, within the Stipulation for Preliminary
 Order of Forfeiture, CR18-465-PHX-SPL, Ferrer, in his capacity as CEO

1 of Backpage, stipulated that the following bank funds, securities, or
2 other assets are criminally derived proceeds of Backpage's illegal
3 activity, involved in money laundering transactions, or both, and as
4 such, are forfeitable property:

5 a. \$699,940.00 wire transferred from ING Bank account '7684,
6 held in the name of Payment Solutions BV.

7 b. \$106,988.41.00 wire transferred from ING Bank account
8 '2071, held in the name of Payment Solutions BV.

9 c. \$499,910.01 wire transferred from US Bank account '0239,
10 held in the name of Affordable Bail Bonds LLC.

11 d. \$50,000.00 wire transferred from Enterprise Bank and Trust
12 account '7177, held in the name of Global Trading Solutions LLC.

13 e. \$1,876.36 wire transferred from ING Bank account '2071,
14 held in the name of Payment Solutions BV.

15 f. \$50,357.35 wire transferred from ING Bank account '7684,
16 held in the name of Payment Solutions BV.

17 g. \$248,970.00 wire transferred from Citibank NA, account
18 '0457, held in the name of Paul Hastings LLP.

19 h. \$52,500.00 wire transferred from Enterprise Bank and Trust
20 account '7177, held in the name of Global Trading Solutions LLC.

21 i. \$65,000.00 wire transferred from Enterprise Bank and Trust
22 account '7177, held in the name of Global Trading Solutions LLC.

23 j. \$5,534.54 wire transferred from Enterprise Bank and Trust
24 account '7177, held in the name of Global Trading Solutions LLC.

25 k. \$52,500.00 wire transferred from Crypto Capital

26 i. 6 Bitcoins transferred from a Backpage controlled
27 wallet;
28

1 ii. 199.99995716 Bitcoins transferred from a Backpage
2 controlled wallet;

3 iii. 404.99984122 Bitcoins transferred from a Backpage
4 controlled wallet;

5 iv. 173.97319 Bitcoins transferred from a Backpage
6 controlled wallet;

7 v. 411.00019 Bitcoins transferred from a Backpage
8 controlled wallet;

9 vi. 2.00069333 Bitcoins transferred from a Backpage
10 controlled wallet;

11 vii. 136.6544695 Bitcoins transferred from a Backpage
12 controlled wallet;

13 viii. 2,673.59306905 Bitcoins Cash transferred
14 from a Backpage controlled wallet;

15 ix. 55.5 Bitcoins Cash transferred from a Backpage
16 controlled wallet;

17 x. 73.62522241 Bitcoins Cash transferred from a
18 Backpage controlled wallet;

19 xi. 16,310.79413202 Litecoin transferred from a
20 Backpage controlled wallet;

21 xii. 783.9735116 Litecoin transferred from a Backpage
22 controlled wallet; and

23 xiii. 509.81904619 Bitcoins Gold transferred from
24 a Backpage controlled wallet.

25
26 **NN. BACKPAGE FUNDS PREVIOUSLY HELD AT DAVIS WRIGHT TREMAINE**

27 126. On August 13, 2018, Davis Wright Tremaine initiated a wire
28

1 transfer of \$3,713,121.03 from Bank of America account '3414, held in
2 the name of Davis Wright Tremaine, LLP into the government holding
3 account.

4 a. Between January 13 and January 20, 2017, a GoCoin account
5 wire transferred \$1,318,800 to the Veritex Account.

6 b. On June 22, 2017, the Veritex Account wire transferred
7 \$1,000,000 into Account 27.

8 c. On April 27, 2017, the Netherlands Account wire transferred
9 \$2,500,000 to Account 27.

10 d. On April 28, 2017, the Netherlands Account wire transferred
11 \$2,500,000 to Account 27.

12 e. On May 24, 2017, Account 1 wire transferred \$500,000 into
13 Account 27.

14 f. On September 13, 2017, Account 1 wire transferred
15 \$1,000,000 into Account 27.

16 g. On September 27, 2017, the Netherlands Account wire
17 transferred about \$778,802.96 into Account 27.

18 h. On October 20, 2017, Account 1 wire transferred \$500,000
19 into Account 27.

20
21 FIRST CLAIM FOR RELIEF

22 (18 U.S.C. § 981(a)(1)(C))

23 127. Based on the facts set out above, Plaintiff alleges that
24 the Defendant Assets constitute, and are derived from, proceeds
25 traceable to one or more violations of Title 18, United States Code,
26 Sections 1591 (Sex Trafficking of Children) and 1952 (Interstate and
27 Foreign Travel in Aid of Racketeering Enterprise), each of which is a
28 specified unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A),
1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a conspiracy to commit such

1 offenses. The Defendant Assets are therefore subject to forfeiture
2 to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

3 SECOND CLAIM FOR RELIEF

4 (18 U.S.C. § 981(a)(1)(A))

5 128. Based on the facts set out above, Plaintiff alleges that
6 the Defendant Assets were involved in, and are traceable to, property
7 involved in one or more transactions or attempted transactions in
8 violation of section 18 U.S.C. § 1957, and a conspiracy to commit
9 such offenses, in violation of section 18 U.S.C. § 1956(h).

10 Specifically, the Defendant Assets were involved in and are traceable
11 to property involved in one or more financial transactions, attempted
12 transactions, and a conspiracy to conduct or attempt to conduct such
13 transactions in criminally derived property of a value greater than
14 \$10,000 that was derived from specified unlawful activities, to wit,
15 violations of Title 18, United States Code, Sections 1591 (Sex
16 Trafficking of Children) and 1952 (Interstate and Foreign Travel in
17 Aid of Racketeering Enterprise), each of which is a specified
18 unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv)
19 and 1956(c)(7)(D), and a conspiracy to commit such offenses. The
20 Defendant Assets are therefore subject to forfeiture to the United
21 States pursuant to 18 U.S.C. § 981(a)(1)(A).

22 THIRD CLAIM FOR RELIEF

23 (18 U.S.C. § 981(a)(1)(A))

24 129. Based on the facts set out above, Plaintiff alleges that
25 the Defendant Assets were involved in, and are traceable to property
26 involved in, one or more transactions or attempted transactions in
27 violation of section 18 U.S.C. § 1956(a)(1)(B)(i) (Concealment Money
28 Laundering), (a)(2) (International Money Laundering), and a
conspiracy to commit such offenses, in violation of section 18 U.S.C.

1 § 1956(h). Specifically, the Defendant Assets were involved in and
2 are traceable to property involved in one or more financial
3 transactions, attempted transactions, and a conspiracy to conduct or
4 attempt to conduct such transactions involving the proceeds of
5 specified unlawful activity, to wit, violations of Title 18, United
6 States Code, Sections 1591 (Sex Trafficking of Children) and 1952
7 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
8 each of which is a specified unlawful activity under 18 U.S.C.
9 §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a
10 conspiracy to commit such offenses. The Defendant Assets are
11 therefore subject to forfeiture to the United States pursuant to 18
12 U.S.C. § 981(a)(1)(A).

13 / / /

14 / / /

1 WHEREFORE, plaintiff United States of America prays that:

2 (a) due process issue to enforce the forfeiture of the
3 Defendant Assets;

4 (b) due notice be given to all interested parties to appear and
5 show cause why forfeiture should not be decreed;

6 (c) that this Court decree forfeiture of the Defendant Assets
7 to the United States of America for disposition according to law; and

8 (d) for such other and further relief as this Court may deem
9 just and proper, together with the costs and disbursements of this
10 action.

11 Dated: October 5, 2018

NICOLA T. HANNA
United States Attorney
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

16 /s/John J. Kucera
17 JOHN J. KUCERA
Assistant United States Attorney

18 Attorneys for Plaintiff
19 United States of America
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28

VERIFICATION

I, Lyndon A Versoza, hereby declare that:

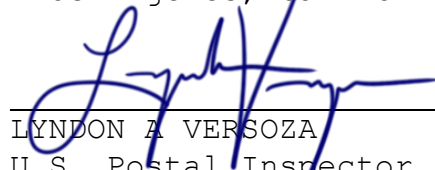
1. I am a United States Postal Inspector with the United States Postal Inspection Service. I am the case agent for the civil forfeiture action entitled *United States v. \$689,884.48 seized from First Federal Savings & Loan of San Rafael account '3620; \$515,899.85 seized from Republic Bank of Arizona account '2485; \$75,835.31 seized from Republic Bank of Arizona account '1897; \$500,000.00 seized from Republic Bank of Arizona account '3126; \$600,000.00 seized from or frozen in Republic Bank of Arizona CDARS account '8316; \$302,177.57 seized from or frozen in Republic Bank of Arizona CDARS account '8324; \$300,000.00 seized from or frozen in Republic Bank of Arizona CDARS account '8332; \$734,603.70 seized from or frozen in San Francisco Fire Credit Union account '2523; and \$2,412,785.47 seized from Money Gram Funds.*

2. I have read the above Verified Complaint for Forfeiture and know its contents, which is based upon my own personal knowledge and reports provided to me by other agents.

3. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 5, 2018 in Los Angeles, California.



LYNDON A. VERSOZA
U.S. Postal Inspector
United States Postal Inspection
Service